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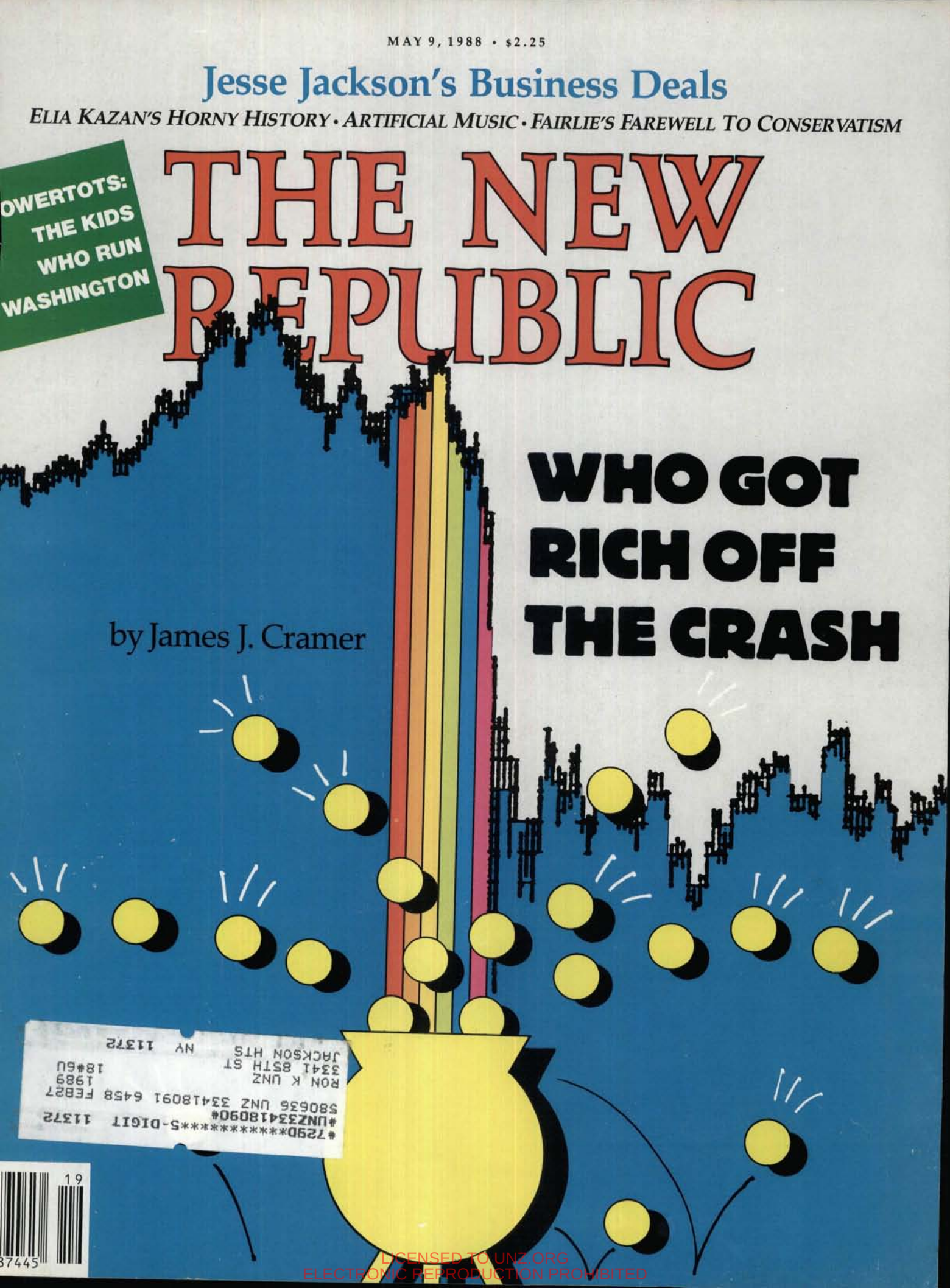
THE NEW REPUBLIC

POWERTOTS: THE KIDS WHO RUN WASHINGTON

WHO GOT RICH OFF THE CRASH

by James J. Cramer



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STATE OF CRISIS

To the editors:

As an exercise, factor out Israel, in its place substitute a Palestinian state, and try to imagine what the Middle East might look like ("Israel in Crisis: Three Views," March 14). Certainly an emergent Palestinian state would not surrender half of its population to a foreign sovereignty. At least for the Palestinians and the evolution of their nationalism, the Hashemite dynasty is extraneous. Palestinian nationalism derives its authenticity from the Arab-Israeli conflict. Remove that and Palestinian nationalism would lose much of its cogency. To Syria, Egypt, and Iraq, the emergence of a Greater Palestine would fundamentally alter the region's balance of power.

The Palestinians could possibly withstand the vicissitudes of statehood. But it is more likely that under Soviet tutelage they would gravitate into the orbit of a neighboring state. Syria is an interesting possibility; a Greater Syria (Syria, Lebanon, Palestine, and Jordan) would present a formidable configuration that could destabilize the entire Middle East. Some presume that Israel disturbs the natural order of the Middle East. Others see the Arab-Israeli conflict as an extension of the East-West conflict. If there were no Arab-Israeli conflict (i.e., if there were no Israel), then presumably the Middle East would be overwhelmed by terminal tranquillity. Perhaps. But the more likely outcome would be a more adventuresome Soviet Union and a more heavily committed United States.

MITCHELL FINKEL
Silver Spring, Maryland

To the editors:

Both Martin Peretz ("Occupational Hazards") and Charles Krauthammer ("No Exit") voice concern incorrectly over the apparent failure of the PLO to consider negotiations that may lead to the recognition of Israel. Arafat called for such discussions in the spring of 1984 and in January of this year. Of course the situation has now "progressed" to a state where it is no longer politic for the Palestinian leadership to make such proposals. Instead, the onus is now firmly on Israel to react. Although it will require considerable courage, Israel must act—unilaterally, if need be—for its own sake. It must forget about maintaining the status quo, for without question things have changed within the occupied territories. The prospect of initiating political change, however, is daunting. The perception is that if Israel gives anything away it may fall victim of further demands for change and, inevitably, of its own destruction. But this need not be the case. Provided Israel can be confident of defending its own borders, a partial withdrawal from the West Bank or Gaza will not compromise its security. Certainly this must have been the reasoning behind the Israeli withdrawal from Sinai. The creation of a Palestinian state and the existence of Israel need not be mutually exclusive.

MASUD HUSAIN
Cambridge, Massachusetts

To the editors:

It is time to advise the Arabs that they must settle things in the manner of the 20th century, where people sit down to try to come to terms. This does not seem to be in their cards. But it should not be Israel's turn, again, to take the next step. The United States and the United Nations should act. They should announce that the Palestinian refugees will no lon-

continued on page 41

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FROM WASHINGTON

VOODOO, CONT'D

There's a general impression that the Reagan years have been a good time to be rich. While the 1981 tax cut reduced rates across the board, the most dramatic reduction was in the top bracket. The 1978 capital gains tax cut, a sort of preview of Reaganism, was a special break for wealthy people's favorite type of income. The 1986 tax reform ended the capital gains break and other loopholes, but once again reduced the top-bracket tax rate far more than rates for the middle class.

The impression that the Reagan tax program has favored the rich is likely to affect the fall election campaign. Perhaps even more alarming to conservatives, it is likely to affect the nation's decision about how to deal with the deficit, if we ever decide to deal with the deficit. For that reason, conservatives just lately have been brandishing a study purporting to show that the impression of Reagan as a reverse Robin Hood is very unfair. In fact, they allege, the Reagan tax policies have been *progressive*. That is, these policies have shifted the burden of taxation, on balance, from the poor to the rich.

This study, by a Republican Senate staff economist using IRS data, concludes that from 1981 to 1986 the share of the total income tax dollar paid by the poorer half of all taxpayers fell from 7.5 cents to 6.4 cents (a drop of 15 percent), while the share paid by the richest five percent rose from 34.9 cents to 44.3 cents (an increase of 27 percent). The share paid by the richest one percent of taxpayers rose by almost half: from 18 cents to 26 cents.

A less tendentious study last fall by the Congressional Budget Office reached similar, though less dramatic, results. Comparing 1977 with estimates for 1988, the CBO concluded that the poorer half's contribution has dropped by eight percent, the top five percent's contribution has risen by 11 percent, and the top one percent's contribution has risen by 22 percent (from 19.5 cents to 23.8 cents of every income tax dollar).

So it's true, as conservatives gloat? Reagan's tax program has favored the poor? Jesse Jackson should apologize, along with everyone else who's ridiculed supply-side economics all these years? Not exactly. The reason the rich are paying a larger share of income taxes is that the rich are claiming a larger share of the income. On this subject as well there are varying studies, but there is an undeniable pattern. The Urban League, using Census data, concluded recently that the poorest fifth of the population got five cents of the income dollar in 1981 and 4.6 cents in 1986—a drop of eight percent. The top five percent went from 15.4 cents to 17 cents, a rise of ten percent.

That CBO study, comparing 1977 with 1988, concluded that the poorer half's share of the income dollar dropped from 20.1 cents to 18.2 cents, or nine percent. Meanwhile the share of the top five percent rose from 20.1 cents to 24.2 cents, or 20 percent; and the top one percent's share rose from 8.1 cents to 11.8 cents, or 46 percent. In every category, please note, these shifts in the share of income are *greater* than the shifts in the share of income taxes.

Supply-siders with the courage of their convictions shouldn't shy away from this conclusion. Their whole theory was that lower tax rates—especially the top rates—would lead people to work harder, save more, invest more, make more money, and ultimately pay more taxes. The intended result was more general prosperity at the cost of more inequality—a fair enough trade-off, if it worked, though the down side was rarely emphasized.

However, *all* that these figures about the distribution of income taxes tell us is that the distribution of income itself has become more unequal. They say nothing about why. It could be that the most prosperous people are working and saving more than ever, thanks to lower tax rates, in ways that benefit us all. Or it could be any number of other reasons.

Contrary to popular impression, the economy has not grown very much fast-

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—DAVID PACKARD, Chairman, Hewlett-Packard Company

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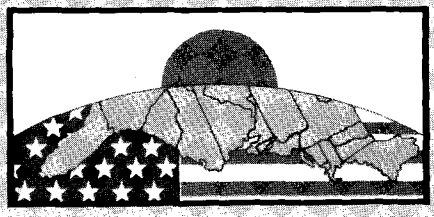

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THE NEW REPUBLIC
MAY 9, 1988

THE EDUCATION PRESIDENT

Education is all the rage among the presidential candidates this year. It's the one-word answer to every tough question—how America can boost its productivity and competitiveness, how to stop the AIDS and drug plagues, how to uplift the underclass. George Bush, desperately looking for ways to distinguish himself from the Reagan administration, says he wants to be known as "the education president" (borrowing a line from Lyndon Johnson) and asserts that "education can be our most important trade program, our most important urban program, our best program for producing jobs and bringing people out of poverty." The Democrats are making similarly lavish promises. Michael Dukakis vows that he'll "work to make America first in the classroom, first in the workplace, first in the research laboratory, and first in the world."

These sentiments are laudable, but the candidates' records and position papers don't indicate that they are really very serious about education. Dukakis has signed two major education reform bills, in 1985 and 1988, but most observers give the credit to the state legislature. On the national level, he is not known as a pioneer of education reform—not in a league with Tom Kean of New Jersey, Jim Hunt of North Carolina, Lamar Alexander of Tennessee, and Bill Clinton of Arkansas. Dukakis's current education adviser, Bob Schwartz, is considered one of the best in the nation, but his predecessor, Gerard Indelicato, gave a lackluster performance that ended with an indictment for conspiring to siphon off education funds. He is awaiting trial.

Dukakis's numbers are mixed. Between 1982, the beginning of his present tenure as governor, and 1986, the Massachusetts high school rate stayed flat, at about 76 percent, and its rank among states dropped from 13th to 18th. The pupil-teacher ratio fell from third in the nation to fifth. But teacher salaries did improve—from 13th to tenth—and so did SAT scores, from 11th to seventh. At the very least, the Dukakis record shows signs of effort. For the last two years Massachusetts has led the country in percentage increase in public spending on higher education, though this still leaves the state in 30th place in per capita expenditure.

There is no comparable evidence of effort by Bush. For seven years the Reagan administration has been trying to slash federal education spending. If Bush had any objections, he confined them to his weekly luncheons with the president. As a presidential candidate, Bush is proposing more spending—amounts unspecified—but even some of his supporters admit to being embarrassed by the unimaginativeness of his ideas. Bush speeches do nod in the direction of issues that Secretary of Education William Bennett has brought to the fore—higher academic standards, more parent involvement, and tougher principals—but his actual proposals stop at loan guarantees and tax exemptions for college students. He told the *Los Angeles Times* that his educational policy consists of "general support for the whole concept of educational excellence. I can't say I identify with any specific educational goal."

Dukakis, on the other hand, does have an agenda. Its centerpiece is a $250 million National Teaching Excellence Fund that would provide scholarships for prospective teachers, create a National Teachers Corps modeled on the Peace Corps, and help states expand merit pay plans for gifted teachers. Dukakis also favors some less novel ideas—expanding the war on illiteracy, working harder to stem the dropout epidemic, and expanding loan and grant programs for college students. He places no price tag on the whole program.

What neither of the probable nominees has put for-

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ward is what America most needs—a specific strategy for making our education system the best in the world. The country has improved its education system during the Reagan years, even if Reagan's own contributions have been merely hortatory. Thanks to state and local governments, total expenditures have risen by $25 billion per year since 1980, up to $300 billion. There have been major quality-control improvements as well, including certification testing for teachers and merit pay. But the room for further improvement is immense. If Dukakis or Bush wanted to be a true education president, he would put forward an agenda for wholesale reform, and promise to be its constant national advocate.

Last fall all the candidates were handed such an agenda by David T. Kearns, chairman of Xerox, but not one of them even bothered to respond. It is about to be published as a book, *Winning the Brain Race* (ICS Press), by Kearns and Denis P. Doyle, an education specialist at the Hudson Institute. If Bush and Dukakis don't respond this time, the press and public should demand to know why.

"Public schools have failed as protected monopolies," Kearns and Doyle write. "They should succeed in a free market governed by supply and demand, where individual schools compete with each other for faculty and customers." This sounds vaguely like the idea championed by Bennett and other conservatives—pitting private and public schools against one another through tuition tax credits or education vouchers, so that parents could "buy" the best education available. But the two approaches differ in an important way. Critics have cast the Bennett proposal as a cynical ploy to shrink slowly the role of the government, relieving upper-class, private-school families of the tax burden that now goes toward the education of the masses. The Kearns-Doyle proposal isn't vulnerable to this charge, because it confines the state-sponsored competition to the public sector. Kearns and Doyle would give parents the opportunity to send children to any public school in their town or region,

THE ZEITGEIST CHECKLIST

BY CHARLES PAUL FREUND

This Week		Last Week	Weeks on Chart
1.	THE UMPIRE STATE	—	1
2.	PERSIAN RIGS	*	17
3.	SECRET SHARIA	—	1
4.	FLYING CIRCUS	—	1
5.	TRUST BUT VERIFY	*	2
6.	CRACK IN THE SIDEWALK	—	1
7.	SLIPPED DISKS	—	1
8.	OPEN THE DOOR, RICHARD	—	1
9.	THE PLUG-IN DRUG	—	1
10.	ATTITUDE ADJUSTMENT	—	1

1. THE UMPIRE STATE

New York. What's all this about New York settling the Democrats' dilemma? OK, Dukakis won, but his margin of victory was a negative vote, and he is clearly a candidate of resort. The campaign itself, with Koch's devouring of Gore as its centerpiece, upset everybody in town. If Chicago '68 was a cop riot, New York '88 was a political one.

2. PERSIAN RIGS

Gulf. The script for the Gulf shoot-out story was tailored for post-war American culture: we prevail over a "crazy" foe via overwhelming firepower. Good yarn, dangerous moral. Iran may indeed be nuts, but allowing this to become unexamined received wisdom feeds a dangerous foreign affairs myth. As for invincibility through firepower, that's even more dangerous.

3. SECRET SHARIA

Terrorism '88. Do the Kuwait hijacking, the Naples bombing, the reported Higgins murder, and Gulf actions have a common thread? Seeking an unseen pattern in news stories has been rare here. But cultures that feel powerless often see conspiratorial links in the news—links of which they are the victims. Are we developing such a reflex?

4. FLYING CIRCUS

Eastern. Maybe Eastern's ad welcoming federal inspection was whistling in the dark: so far 19 planes have been pulled out of service due to frayed seat belts, cracked tires, and the like. Then there are real defects, like the infamous dropped engine. The post-regulated airline industry has obvious problems, but this story is also developing the air of political theater.

5. TRUST BUT VERIFY

Reagan memoirs. The revelations in Speakes's memoirs are hardly more embarrassing than others Reagan has suffered lately. One reason they became such a big story is that they embarrassed not Reagan but Speakes, still unpopular with the capital's press community. By the way, there's a real rhetorical scandal here: As long as Speakes was making up language, was this the best he could do?

6. CRACK IN THE SIDEWALK

Street gangs. The street gang story started as crime, became drugs, but is settling into familiar motifs of '50s-style juvenile delinquency. This is happening because media features boil the gangs down to individual members—and because of pop exploitation, as in the film *Colors*, which uses the gangs in terms of delinquent archetypes.

7. SLIPPED DISKS

Computer viruses. The "software virus" story is true Future Shock. Everybody depends on computers; few have a clue about how they run. Many people retain a Luddite suspicion about them. Coming: future crimes such as computer extortion.

8. OPEN THE DOOR, RICHARD

Nixon '88. Did you hear what Nixon just said? You bet you did. The new Nixon interviews are much more than a mere book tour. Nixon's notoriety has transformed his persona: he's become the sorcerer—nay, the Nostradamus of American politics: unloved (even feared), but with his every pronouncement examined for its cabalistic wisdom.

9. THE PLUG-IN DRUG

Drug commercials. The talking stomach claymation spot from Smith Kline & French may be an early sign of something much bigger. Glaxo is also running prescription drug spots, and Merck may join in too. Patients are requesting the drugs, and MDs are "considering" their requests. Will this erode medical authority? Probably, says one study, but so far doctors don't seem to mind.

10. ATTITUDE ADJUSTMENT

Sobriety. What's this about cigarette-like warnings on liquor bottles? There's pressure to add them, but who drinks anymore? Bourbon and scotch consumption is way down, vodka and rum are flat; hell, even coolers are out. Smart social drinking means juice or *brand-name bottled water*. For better or worse, the West's public behavior is now what used to called "womanly."

*Item resurfaces in the Zeitgeist after at least one week's absence.

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with the child's allotment of state funding going to the school chosen. Teachers, similarly, would be free to market their talents to any school. Good schools would attract pupils and teachers; bad schools wouldn't, and local or state school officials would have to do something about it—such as finding a new principal.

In effect, every school in a participating district would become a "magnet" school—of the type that parents in some school districts have camped out in the rain to get their children into. Principals and faculties would choose the school's curriculum and specialties, and thus its distinctive character (they would "buy" the necessary support services from the district office), instead of having policies dictated by higher authorities. The district would be responsible for maintaining academic performance standards and ensuring racial balance.

The Kearns-Doyle plan includes a number of aspects not essential to this "universal magnet system" but nonetheless worth pondering. In addition to the obligatory toughening of standards for students and teachers, they propose that schools stay open all year round. (American kids now attend school 180 days a year, and Japanese children, 240.) Schools would also be open longer to provide flexible scheduling and a healthy place for children of working parents to spend time. Students would graduate when they had accomplished set academic tasks, rather than after a set number of years; the idea is to let brighter and more diligent students graduate early and to dilute the stigma of repeating a grade.

Taken as a whole, the Kearns-Doyle plan would be quite expensive. But the core of the proposal—the public school voucher system—might not be. The authors suggest federal grants of $50,000 as an incentive for school districts to design and implement these universal magnet systems. Granted, if all 15,500 districts jump at the chance, this will prove a pricey experiment. But if, as Doyle and Kearns contend, the program winds up saving states money through thriftier management at the level of individual schools, it may eventually proliferate without aid.

But even if reform costs real money—and clearly many aspects of a balanced reform package will—the price must be paid. America cannot continue to tolerate a school system that leaves its high school seniors ranked 14th among 15 industrialized countries in math performance. So far enlightened reform has been the work mainly of some imaginative state governors and a vocal secretary of education. What education needs now is a real education president.

NOTEBOOK

□ PERISHING BY THE SWORD: Khalil Wazir went by the stage name of Abu Jihad, which means Father of War. This was no conceit: he was the mastermind behind many terrorist actions against Israeli and other civilians. Only two months ago his commandos hijacked a bus and killed three people. That he also had other, less gory, functions within the PLO does not change the simple truth that he had the blood of hundreds, perhaps thousands, of innocents on his own hands. This point was sometimes obscured in the melodramatic network coverage of his death. When a Palestinian leader is killed there is always doubt about who performed the deed. Fratricide among the wings and winglets of the PLO is routine enough that Abu Jihad could have been a victim of a fellow Palestinian, perhaps even one who now weeps at his bier. But we don't really doubt that this is the work of Israel. It's not only the exquisite perfection of the job, a reminder of the old days when targets were precise and ends clear. It's also that no Palestinian assassination squad would have troubled to leave Abu Jihad's wife and children alive.

□ SPEAKES NO EVIL: The day Merrill Lynch & Co. hired Larry Speakes as senior vice president for communications, it put out a press release quoting Merrill Lynch chairman William A. Schreyer: "We are extremely pleased to have Larry Speakes join Merrill Lynch," Schreyer said. "He will bring to our global communications activities a solid background as an experienced executive who has performed with superb professionalism before a world audience." It is, of course, quite impossible to believe that Schreyer ever said those words, virtually impossible to believe he wrote them, and hard to believe he even saw them before they were put out in his name. Now, though, Merrill Lynch has forced Speakes out of his lush ($400,000-plus) job over revelations that he made up quotes for President Reagan. The hypocrisy is almost enough to make you feel sorry for Speakes. What did Merrill Lynch think it was paying Speakes for, not to mention the vast staff he was hired to direct, if not to make up quotes for press releases, ghostwrite speeches for executives, and so on? What cynicism! Merrill Lynch actually hired Speakes, a fairly low-talent individual, because of his connections to the powerful. When he alienated the powerful with his silly kiss-and-tell memoir, he lost his value and out he went.

□ TAX BREAK: President and Mrs. Reagan made their 1987 tax returns public a while back, and all the media recorded that the Reagans paid $86,638 in federal taxes on taxable income of $345,359. But only the *City Paper*, an enterprising Washington weekly, reported (in an article by Dennis Cauchon) that the Reagans seem to have made an astonishing mistake. In October the Reagans inherited some Japanese drawings from Mrs. Reagan's mother. A month later they sold the drawings at auction for about $31,000—*and declared the entire $31,000 as income!* They thus overlooked one of the biggest loopholes in the tax code: when you sell inherited property, you only owe taxes on the increase in value since you inherited it. In the Reagans' case, this would be virtually nothing, since they sold the drawings immediately. This error by

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their tax attorney (who charged them a whopping $7,800 for tax preparation plus another $3,400 for tax advice) cost the Reagans about $9,000. Of course, looking at it another way, this example illustrates the cost of this unjustified loophole to the federal treasury. The Congressional Budget Office estimates that a sensible rule taxing capital gains at death, before property is passed on, would bring in a quick and easy $5 billion a year.

□ ISTHMUS SEASON:

SPLIT IS REPORTED IN ADMINISTRATION ON PANAMA POLICY

IMPASSE IN WASHINGTON

—*New York Times*, April 3, page A1

Rare Unity on Foreign Affairs

Look Quickly, It's Bipartisan Policy

—same paper, same day, page E2

(thanks to Michael Froman, Cambridge, Massachusetts)

□ FOOD FOR THOUGHT:

Safeway's Record Operating Income

—*San Francisco Chronicle*, April 8

Safeway lost $487 million during 1987

—*Oakland Tribune*, same day

(thanks to Stephen N. Sestanovich, Moraga, California)

□ YOUR TAX DOLLARS AT WORK:

Officials to stage fatal rail crash

—*The* (Stamford) *Advocate*, April 11

(thanks to Eric Olin, Darien, Connecticut)

□ THE SLEAZE WATCH: A real estate magnate named Howard Bender bought the downtown Washington building housing the headquarters of the Justice Department's Immigration and Naturalization Service for $37 million in March 1985, when the government's lease had a year to run. After making noises about moving, the INS eventually signed a new ten-year lease at a higher rent in May 1987. Thirteen days later, Bender sold the building for $60 million—a 60 percent profit in two years. This transaction has made news because, during the negotiations over the INS lease, the Bender family first tried to hire Ursula Meese, wife of the man who runs the Justice Department, as an executive at a local radio station they own, and then succeeded in funding a job for her at the Multiple Sclerosis Society. There's no evidence that either Meese knew about the building deal, although the Benders (social friends) clearly did. The real scandal, however—as is so often the case—is the part that's completely on the surface: the quick 60 percent ($22 million) profit is a sure sign that the government overpaid for the new lease. If the lease was at a hard-bargained market rent, there'd be no suspicion of a bribe.

□ CREDIT WHERE CREDIT'S DUE: We neglected to note that our cover story of April 25, "Junk-Mail Politics," was supported by a grant from the Project for Investigative Reporting on Money in Politics. Also, the seventh paragraph of Robert Kuttner's piece "Bad Housekeeping" (April 25), which cites the housing report issued on March 28, should have referred to "A Decent Place to Live," by the National Housing Task Force, not to "The State of the Nation's Housing," as published.

□ SOCRATIC DIALOGUE: As the *Washington Post* pointed out recently, when a politician is accused of "pandering," the panderees are usually Jewish voters and the issue is Israel. In other contexts, less allusive words are chosen to describe interest-group politics. In the weekend before the New York primary, an even uglier linguistic canard surfaced. Mayor Ed Koch was asked on ABC's "This Week with David Brinkley" whether he would support Jesse Jackson if Jackson were the Democratic nominee. Koch drolly said he would be happy to campaign for Jackson on the theme that "he will do less damage to the country than George Bush." Sam Donaldson countered: "Which country? Which country are you talking about?" To which Koch replied, "The United States, and I resent the implication of your comment." Koch was right to take umbrage. Donaldson, perhaps inadvertently, had brought up the old dual-loyalty canard. Believe it or not, Donaldson was compared to Socrates in these pages a while back. We may have to reconsider.

WHITE HOUSE WATCH

BABY FACE-OFF

FOR ONE very good reason, drafts of presidential proclamations ordinarily don't raise eyebrows when they circulate among White House assistants. They are oh-so-boring and inconsequential. Who would get excited, after all, about National Know Your Cholesterol Month, 1988? (It was proclaimed by President Reagan on March 30.) But the draft proclamation for National Child Care Awareness Week, 1988, drew attention. Conservatives, including domestic policy adviser Gary Bauer, didn't like what they read. "It was an homage to day-care centers," fumed one White House official. "I'll bet it was written by some GS-8 in the bowels of HHS," the Department of Health and Human Services.

The conservative clique set out to rewrite it. The Office of Correspondence was prevailed upon, and what emerged over Reagan's name on April 11—chances are, he didn't read it—was far different language. It talked unenthusiastically about "state-licensed" programs, listing them behind "parents, relatives, schools, churches" on the honor roll of those "who take on the enormously important task

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of child care." The proclamation pointedly raised the option of mothers who stay home to rear children. "To be fair to all families, child-care policy analysis must recognize the contributions of women who work, those who prefer to work part-time rather than full-time jobs, and homemakers who forgo employment income altogether to raise children at home," it said. "Surely all of these are 'working mothers.' " Finally, it referred ominously to "the effects of various forms of child care" on kids, the implication being that institutionalized day care could be harmful.

The proclamation was a tiny skirmish in the battle over the administration's child-care policy. At the moment the administration has no policy. But it desperately needs one, if only as a talking point for Vice President George Bush in the presidential campaign this fall. Why the tardiness? Well, child care just doesn't stand tall on Reagan's personal agenda and probably never will. The president's favorite social issue is the family: he's in favor of it. But that is yesterday's issue. Democrats, eager for a popular social issue of their own, have seized on . . . children. They've succeeded in making the care and education of kids a big-ticket issue in 1988, superseding the family. "Now we have to show we're pro-children, not just pro-family," concedes an administration official.

Agreeing on the best way to show this won't be easy. Reagan and his aides will never go along with the chief Democratic proposal, the Dodd-Kildee bill. It offers money, $2.5 billion a year for starters, to working parents who put their kids in licensed day-care centers. The fresh spending is bad enough to the Reagan crowd, but the bill also makes church day-care programs practically off-limits and is bound to add to the federal bureaucracy. Reagan could veto this bill with glee. But he's still got to have an alternative. And the trouble is, he's faced with an administration divided over what it should be. Social conservatives like Bauer and Education Secretary William Bennett are on one side, and moderates like Labor Secretary Ann McLaughlin and Howard Baker, the White House chief of staff, are on the other.

AT BOTTOM, the dispute involves whether mothers should stay home when their children are small. Bennett, whose wife works part time, carries around a heavily underlined clipping from the spring 1988 issue of *Policy Review* that argues that "day care harms children." He says child care shouldn't be seen "simply as a workplace issue" of making it easier and cheaper for two-earner families to put their kids in day-care centers. Instead, parents should choose from an array of options, including mom-at-home, and the government shouldn't favor one over another. The issue, says Bennett, is what's best for kids.

Bauer is more explicit about what parents should choose. He characterizes day-care centers as about as beneficial to children as heavy drug use. From surveys, "We have by now a pretty clear idea of what the nation's child-care priorities should be," he said in a speech in Chicago in March. If parents "must resort to day care, they want their kids supervised by family members or close neighbors." If that's not available, they want someone to come to their home or at least provide "a homelike atmosphere" elsewhere. "Failing that, parents look to community institutions, especially churches," Bauer said. "Only as a last resort do most parents place their kids in what might be called the day-care business."

Bennett and Bauer have an ally: the New Right. Its goal is to extend the child-care tax credits to full-time mothers and thus encourage women to stay home. Paul Weyrich, president of the Free Congress Foundation, says conservatives are crazy not to have jumped on the child-care issue earlier. But as usual they waited for liberals to move first, he says, and only this year has it become a major concern. Phyllis Schlafly has devoted her last three monthly newsletters to child care, and they've gotten wide circulation inside the administration. (I was given copies by a White House official.) Schlafly says the Dodd-Kildee bill would "sovietize the American family by warehousing babies." Schlafly has also talked to administration officials repeatedly. So has Michael Schwartz, Weyrich's expert on the subject who also briefed Bush campaign officials. Robert Rector, the Heritage Foundation's child-care specialist, gave a briefing to McLaughlin.

AS ONE OF HER first acts when sworn in last December, McLaughlin announced that child care was among her top priorities. This created near-apoplexy among conservatives, who regard her as a dangerous moderate. In January she named a task force of 12 Labor officials to study child care as "a workforce issue" and to see if enough was accessible and affordable. Conservatives feared she'd propose more money for day-care centers, though McLaughlin promised the report would not be "policy-prescriptive." At one point officials of the Office of Management and Budget demanded the report be handed them for review. McLaughlin refused. But a draft leaked, and conservatives were alarmed by some of the statistics she used and by references to the Children's Defense Fund, a liberal group.

Like Bauer and others, McLaughlin has tried to pique Reagan's interest, with little success. Bauer talked about child care at a Monday lunch with Reagan in April. McLaughlin, at Baker's request, gave Reagan a one-on-one briefing, with charts, in the Oval Office. The president expressed surprise at how many mothers are working, and he perked up when McLaughlin mentioned that day care is often an item in collective bargaining. He brought up his days with the Screen Actors Guild. McLaughlin said she'd be pursuing child care as "a workplace issue," and added, "I'll probably get bruised a little." "That's all right," said Reagan. "If you don't, you aren't doing anything." He expressed no policy preference.

McLaughlin's first bruise didn't come from conservatives. They were pleasantly surprised by her report, which concluded there's no day-care "crisis" in America, only "spot shortages" and "shortages of options." At a press conference she stressed that "the primary responsibility for child care resides with American parents." She declined to broach the subject of whether mothers of young chil-

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dren should be encouraged to stay at home. Her jurisdiction, she said, is the workplace, not the home. McLaughlin wants businesses to offer more and better day care. She and the Business Roundtable are sponsoring a symposium in June on the matter.

Far more than Reagan, Bush has taken an interest in child care. The day after McLaughlin was sworn in, he called her from Iowa for advice. "Hey, I'm getting all these questions about day care," he said. Bush hasn't come up with his answer yet, but his aides are looking. One of their criteria is that any proposal be revenue neutral. The bill by Representative Clyde Holloway, a Louisiana Republican, comes close. It would give a tax credit, refundable to the poor, of $150 to $400 for each child below mandatory school age, $150 to those with gross income over $30,000, $400 to those under $18,000. All families, whether the mother worked or stayed at home, would be eligible. This amounts to a significant change from the current credit (maximum $1,440), which can be claimed only for day-care expenses of working parents and covers children up to 14.

But why not change the current credit? It is largely a middle-class entitlement, rewarding two-earner yuppie families, not the poor. "Government shouldn't help relatively better-off two-earner families and not help single-earner families that arguably are more in need," says Bauer. Besides, he thinks millions of women would happily quit their jobs and return home to their kids if the tax credit were extended to them. That's questionable. But suppose he's correct. Should women (or men) be penalized because they want to stay home with young children? The answer is no, not when they'd be producing a social good.

What troubles the White House is the thought of tinkering with the tax code now that Reagan has gotten individual rates so low. Reagan aides worry that this might prompt other tinkering in ways they don't like (raising rates, curbing indexing, etc.). "Whether we can open up the tax bill this year, personally I don't see it," says McLaughlin. "I have to believe it will not happen." One way it could happen is if Bush pushed for it, and pushed hard. By my guess, Reagan would be amenable. All it would take from Bush is a little assertiveness.

FRED BARNES

A shakedown racket?

JESSE'S BUSINESS

BOYCOTTS HAVE an honorable place in America's civil rights struggle, starting with the Montgomery, Alabama, bus boycott that was an early milestone in the campaign against segregation. Organizing boycotts has been a major activity in Jesse Jackson's civil rights career, but in Jackson's case it's sometimes hard to distinguish between a noble boycott and an old-fashioned shakedown.

Jackson began organizing boycotts in 1966 when he was chosen to head Operation Breadbasket, an offshoot of Martin Luther King's Southern Christian Leadership Conference. He took the tactic with him when he split from King's organization in 1971 (during a financial dispute) to found his own civil rights crusade, Operation PUSH. But from the outset, Jackson set more ambitious goals than the simple jobs-for-blacks demands pursued by King and other early civil rights leaders. In boycotts aimed at major retail chains such as Walgreens and A&P, Jackson demanded not only more jobs for black workers but also more business opportunities for black businessmen. He sought shelf space for black-made consumer products, retainers for black lawyers, deposits for black banks, and contracts for black cleanup and garbage collection contractors.

Plied with grants from a Carter administration eager to ingratiate itself with black leaders, in the late 1970s Jackson turned Operation PUSH away from commercial boycotts and toward education issues. With $6 million in government financing, Jackson built PUSH for Excellence (or PUSH-EXCEL), a nationwide program to encourage teenagers to stay in school and discourage them from drugs and pregnancy. But Carter was replaced by Reagan, and the easy grants were replaced with budget cuts and audits. PUSH-EXCEL became embroiled in a dispute with the government over how it had spent taxpayers' money. PUSH-EXCEL today is still negotiating with the government over whether it should pay back an allegedly misspent $1.1 million in federal funds.

MEANWHILE, when the era of generous handouts ended, Jackson returned to earlier tactics and themes. The PUSH campaign of corporate boycotts was relaunched in 1982 with more ambitious goals than ever. The idea now, according to a glossy program distributed at PUSH's 12th annual convention in 1983, was to win "economic justice for Black America" by forcing the white-owned corporate establishment to "renegotiate its relationship with Black America from one of economic concubinage to a true marriage." The targets of the new boycott campaign were some of the best-known brand names in the nation: the likes of Coca-Cola, Burger King, and Kentucky Fried Chicken.

In his pursuit of quotas for black companies and professionals who deal with major corporations, Jackson was adopting what might be called affirmative action, Reagan-style. While condemning as "reverse discrimination" all efforts to give favored treatment to black workers or students at the bottom of the economic scale or the beginning of their careers, the administration likes to brag about its expansion of programs giving black businesses special loans and favored access to government contracts. (The 1984 Republican platform contained both of these contradictory points.) With Jackson, of course, there is no contradiction, as he favors all forms of affirmative action. But the record of Jackson's PUSH raises in especially stark terms the question of what purpose is served by further

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enriching already successful black businessmen.

Barbara Reynolds, the Chicago journalist who wrote a critical biography of Jackson more than a decade ago, noted that Jackson's cultivation of the black business community also produced important personal benefits for the politically ambitious Jackson, of which he seemed entirely cognizant. "Though couched in moralistic terms, the covenants [PUSH agreements with white firms] are a calculated arrangement in which corporate 'peace' is opted for in exchange for providing Jackson with a base to build a national economic patronage system," Reynolds observed. "The working poor provide the troops which act as a weapon against white corporations which do not provide contracts to Jackson's cadre of businessmen, who in turn help finance [Jackson's] movement."

Resentments within the black business community over Jackson's methods and ambitions boiled over in 1982, shortly after Jackson set up a unit called the PUSH International Trade Bureau to run his new wave of boycott campaigns. Announcing that "Bud is a Dud," Jackson launched a boycott against Anheuser-Busch. But the Missouri mega-brewer refused to give in, claiming it already went out of its way to create opportunities for black businessmen. Busch's hard-line was supported by much of the black business community in St. Louis.

DRAWING BY VINT LAWRENCE FOR THE NEW REPUBLIC

In a pep talk to local black entrepreneurs about the Busch boycott, Jackson urged them to buy $500 memberships in the International Trade Bureau. "If you want to play, you have to pay," he told them. This particular slogan outraged the *St. Louis Sentinel*, a black weekly. Under the headline "REV. JESSE JACKSON—MINISTER OR CHARLATAN?" a *Sentinel* editorial criticized Jackson's fund-raising pitch as a "kickback approach to the black community."

Jackson's spokesmen claimed that the "pay to play" remark was taken out of context. But PUSH's 1983 convention program promised that businessmen who join the International Trade Bureau will be "invited to participate in the benefits of all . . . covenants with National and local corporations." And some black entrepreneurs continued to chafe at Jackson's methods. In 1983 a Chicago businessman named Clifton Charles complained to the press that PUSH had refused to give him information about a Burger King "covenant" with the organization until he paid the $500 membership fee. He called the PUSH demand a "bribe." In a written proposal delivered to WBBM, the CBS affiliate in Chicago that was the target of a PUSH boycott in 1986, PUSH demanded, among other things, that the station "contribute $1 million to Black organizations designated by PUSH."

Some black firms that did not give PUSH money have undoubtedly reaped benefits from the PUSH covenants, and some of the companies that signed the pacts say that Jackson's organization has no control over how the minority opportunities are dispensed. A Coca-Cola spokesman told me, for instance, that PUSH did not suggest the names of firms that should be considered for opportunities under the company's PUSH covenant. Kentucky Fried Chicken told me that PUSH did not vet the names of its candidates for new minority franchises. But the company's spokesman also acknowledged that PUSH "periodically" did offer the names of potential minority suppliers.

PUSH contributors and close associates of Jackson figure prominently among the beneficiaries of the corporate campaigns he organized in recent years. An advertising agency headed by Byron Lewis, a PUSH supporter and Trade Bureau member, received an $8 million contract from Burger King. (Lewis denied to the *Chicago Tribune* that his PUSH membership had any connection.) The Citizens Trust Bank of Atlanta, headed by PUSH director Owen Funderburg, received new accounts from 7-11 and Burger King franchisees as a result of PUSH covenants with those firms. A Washington consulting firm headed by Ernest Green, a former assistant secretary of labor who awarded $2 million in grants to PUSH-EXCEL in the waning days of the Carter administration and later joined the PUSH board of directors, re-

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ceived contracts from Coke, 7-11, and the Heublein Corporation, which owned Kentucky Fried Chicken when the PUSH boycott was first launched. (Green said any suggestion of a link between his good fortune and his influence at PUSH was "hogwash.") Independence Bank of Chicago, a black institution headed by Alvin Boutte, a long-time Jackson supporter and friend, received a "credit line" agreement and other accounts from Burger King. The bank recently advanced Jackson's presidential campaign its first $70,000 in loans. Clearly many businesses not closely associated with Jackson or PUSH also have contributed to his campaign.

ONE OF THE most controversial beneficiaries of PUSH covenants was Jackson's half brother Noah Robinson, a Chicago millionaire. Robinson is a Wharton MBA who went to Chicago in 1970 to help Jackson out with Operation Breadbasket and later set up a network of construction, janitorial, and food service firms that took advantage of minority set-asides. Later still he got into franchising and fast food. According to a 1984 documentary by WMAQ, Chicago's NBC affiliate, Robinson received a Coke distributorship a month after PUSH signed an agreement with the company. One month after Jackson started negotiations with Kentucky Fried Chicken, Robinson received a supplier contract.

Recently Robinson's empire has been going through a difficult patch, according to several recent stories in the *Chicago Tribune*. Seven companies in which Robinson has a financial interest have wound up in bankruptcy court, and Robinson's financial dealings are being investigated by the U.S. Attorney. Robinson's name also surfaced in connection with the recent trial of leaders of a South Side street gang called the El Rukns, several of whom were convicted last year on charges of conspiring to commit terrorist acts in the United States in an effort to obtain $2.5 million from Libya's Col. Muammar Qaddafi. According to the *Tribune*, Robinson employed members of the gang as security guards at his fast-food restaurants. Trammel Davis, a former high-ranking lieutenant to gang leader Jeff Fort, turned state's evidence and reportedly told prosecutors that Fort once ordered the murder of one of Robinson's former school friends after Robinson complained that the man had been "bothering" him. Robinson denies any connection to the killing, maintaining that on that day he was entertaining his parents at his mountainside home in Albuquerque.

Robinson, who has not been charged with any wrongdoing, has claimed that he has been targeted for government witch-hunts because of his famous half brother. There's no evidence that Jackson is closely involved in Robinson's affairs. In the early 1970s the brothers bitterly fell out in a dispute over the future of Operation Breadbasket. Yet in 1979 Robinson was bragging about his sibling's influence. "The Rev. Jesse Jackson is my brother . . . through Jesse I could get an audience with President Carter or any other VIP on request," he told a business associate in a 1979 letter. That same year Jackson was overheard on a U.S. government intercept demanding to speak to the Libyan chargé d'affaires in Washington about an oil deal involving his "brother" (although there is no public record indicating that Robinson ever was in the oil business). In a 1984 *Washington Post* interview, Jackson suggested that he and Robinson had deep differences in their respective outlooks on life. "I'm not interested in making money. . . . It's hard for Noah to relate to my value system and it's hard for me to relate to his."

ANOTHER PERSON close to Jackson who has benefited from his boycott activities, whether or not Jackson intended it, is Dick Griffey, a Los Angeles record producer who has sometimes served as Jackson's business manager and also has raised funds for his presidential campaigns. Several years ago Griffey was lent $4.5 million by Warner Communications, the entertainment conglomerate, to build a new black music studio in Hollywood. But the record business took a downturn, Griffey could not keep up with loan repayments, and two years ago Warner threatened to foreclose on his new office building.

In an apparent attempt to forestall the foreclosure, on September 23, 1986, Griffey filed a $386 million lawsuit against Warner, claiming that it was engaged in a conspiratorial and racist scheme to expropriate his business. The spiciest elements in Griffey's complaint were accusations of institutional racism at Warner. He claimed that Warner had refused to distribute adequately and to market his own company's products. He also alleged that one Warner executive had even been fired because he wanted to increase promotional spending on black artists.

All this would have been of little more than parochial interest to the cutthroat world of recording artistes had not Jackson suddenly stepped into the controversy. Two days after Griffey filed his lawsuit, Jackson suddenly sent Warner a letter criticizing the company's business practices, threatening a boycott, and demanding "parity within the music industry for blacks." Although his letter included standard political demands—such as divestiture of South African investments and higher salaries for Warner's black employees—his message also included language that tracked the language of documents filed in Griffey's lawsuit.

Jackson appealed to black radio stations to boycott records produced by Warner. *Billboard*, the industry bible, reported that one of the first stations expected to respond was WBLS, the most influential black music station in Harlem. Percy Sutton, the New York politician who is the station's chairman, and co-chairman of Jackson's finance committee, recently disclosed that Jackson was one of the station's founders and, through his wife, owns shares that would be worth more than $1 million if the company were sold.

Jackson at the time denied that his attack on Warner had anything to do with Griffey's lawsuit. Meanwhile his campaign against the firm appears to have melted away. Despite attempts to settle the matter, Griffey's lawsuit is still active today. (Spokesmen for Warner and

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Griffey did not reply to requests for comment.) But a recent review of court records indicates that Jackson's friend so far has failed to produce any significant evidence to support his allegations of institutional racism at Warner.

Jackson takes umbrage at what he regards as gratuitous accusations of anti-Semitism. But, as the Warner episode illustrates, he has never been slow to make casual accusations of racism. Jackson calls himself a "tree-shaker, not a jelly-maker." His tree-shaking, at least in some instances, appears to be a shakedown to help build his career as a national leader, and—whether purposely or not—to enrich some of those around him.

MARK HOSENBALL

Mark Hosenball is a Washington reporter for the *Sunday Times* of London. Cyrus Sanai contributed legal research to this article.

The media kids who run Washington.

POWERTOTS

FLIP THE CHANNELS any time of day or night and you are soon likely to come across a white man in a dark suit flapping his jaw over one or another issue of the moment: Zbigniew Brzezinski sorting out geopolitics for Ted Koppel; Jim Baker explaining away the trade deficit on MacNeil/Lehrer; William Schneider analyzing the most recent primary on Brinkley; all the way down to anonymous representatives of gun control and anti-gun control groups yelling at each other on the Morton Downey show.

Behind this army of famous and would-be famous faces is a much smaller, always younger, and generally poorer cadre of so-called "bookers," whose job is to schedule guests on the various talk shows. In this media age, these underpaid, overworked 25-year-olds are among the most powerful people in Washington: they get to decide who goes on TV. For elected and appointed officials, journalists, academics, lobbyists, and sundry experts, appearing on TV is more than a matter of self-esteem. It can affect your lobbying firm's ability to attract clients, your think tank's ability to attract grants, your investment bank's ability to attract customers, your own lecture fees.

A large part of a booker's job is competing against rival bookers to snare the hot guests—either newsmakers of the moment enjoying their 15 minutes (say, the parents of the baby who fell down the well) or permanent eminences (say, Richard Nixon). But the power of the media is such that even a Henry Kissinger does not disdain cultivating the lowly bookers. And if you're a two-bit would-be Kissinger like Richard Allen (Reagan's first national security adviser, now a think-tanker and lecturer), you send them fruit baskets for Christmas.

Booking is a young person's game. Most burn out by 30, after too many nights of five hours of sleep and tailing potential guests in and out of airports, locker rooms, and restaurants. Morning show bookers generally get to work in time to greet their 7 a.m. guests and don't leave until the next day's show has been locked into place after the evening news. Evening show bookers start work when most of America starts work and don't stop until Ted has said good night.

They all have war stories. A successful booker is shameless, scheming, and pleading, stalking mothers, ex-wives, and kids, slipping through airport security and police lines when she sees another booker gaining. Being first is crucial. The most desirable guest on a Wednesday is soiled goods on Thursday, if he's appeared on a rival show. Kim Timmons, a former White House speechwriter who worked as a booker for many years at ABC's "Good Morning America," recalls trying to snare hostage wife Jean Sutherland when she returned from the Mideast. Timmons was neck and neck with the "Today Show" until she saw the NBC booker slip out to the gate with a fake pass from Delta. Panicking, Timmons ran back to the airport counter to get her own fake pass. She found out that Sutherland wasn't using the gate but rather was going through a back door to a waiting car. Timmons won by losing.

Tara Sonenshine, a booker for ABC's "Nightline" who has since retired to the more relaxing job of covering the Pentagon, still savors her triumphant capture of Samantha Smith, the little girl who wrote the letter to Andropov (and later died in a plane crash). When the story broke, "NBC nailed her first for the 'Today Show' and sent a charter to Maine to fly her and her mother to New York. I was able to get Samantha's mother on the phone just before they left Maine. She said no to 'Nightline,' but told me they were being put up at the Essex in New York. I got on a plane and went straight to the hotel and waited until they arrived. I went over and introduced myself, talked my way into the room, helped the little girl unpack, and generally schmoozed. A few minutes before airtime, her mother agreed to let her be on 'Nightline.' We hopped in a cab and so we got her first."

GETTING A hot guest to agree is sometimes just the beginning of the battle. Mary Lou Hartmann, now a booker for the "CBS Morning News," was working for CNN during the 1984 election campaign when Jesse Jackson failed to show up shortly before a heavily promoted live interview. Hartmann couldn't get through to anyone who knew where Jackson might be. She jumped in a cab and went to Jackson's office. No one there, but meanwhile CNN had found out that he might be speaking to a small group at a hotel near Howard University. She jumped back in a cab, arrived at the hotel, and ran up and down corridors, opening doors, until she found Jackson in mid-speech. An aide had forgotten to put the TV appearance on his schedule. She slipped Jackson a note, he brought his rousing talk to an abrupt amen, and he made it to the studio with two

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minutes to airtime. (Jackson put the "Nightline" bookers through a similar cliffhanger just last month.)

At the opposite pole in a booker's life is the day when there is no news, not even of the canned variety. On such days bookers go trolling in unfamiliar waters. In the post-Christmas lull of January, shows sunk to old standbys such as women in combat, test-tube babies, the role of the CIA in a democratic society, and whether professional boxing purees the brain cells. It's times like these when an obscure expert has a chance to get discovered, as many try to do. The press kits from publishers, think tanks, and lobbying groups that come into bookers' offices each day could fell several large dogs.

FINDING SOMEONE to talk about virtually any subject isn't hard. What's tough is finding someone who can talk articulately, in 30-second bites, with the kind of clear-to-simpleminded opinions required by these shows' usual pro-and-con schemata. A perennial bookers' peril is the person who is crisp and eloquent on the phone but "goes soft" in front of the camera. The best way for an unknown to get past the booker is to have knowledge in a narrow field that suddenly becomes newsworthy, or to hold an unpopular position—in favor of baby selling, for example, or in defense of adultery by presidential candidates.

Bookers develop a distinctive talent for sounding people out—in effect, auditioning them—without letting them know exactly what's up. Often they start out by asking casually for "advice" and only bring up the possibility of an appearance if the chat sounds promising. More contrived is their technique of lining up several guests and then dumping all but one at the last moment—either because they're not sure what topic they'll be doing, or because they want to lock in one person while still trying to nail someone better. Bookers are like the captain of the football team who lines up several dates for the prom in case his first choice decides to wash her hair that night.

Sonenshine says, "The pros can handle being on hold all day and dumped at the last minute. With the others you have to be willing to call their grandmother in Dubuque to explain why he won't be on." Sonenshine says she soon decided to practice Safe Booking, with full and frank disclosure during the pre-interview. "You're my standby, understand, my standby. Don't call your mother."

Bookers have assumed more importance as the appetite for the commodity they supply has grown. The increasingly cost-conscious television industry loves talk, the cheaper the better. Political talk is a producer's dream: cheap and high-minded at the same time. A few low-paid bookers armed with bulging Rolodexes, a table and chairs, a vase of artificial flowers, and anyone can go down to the studio and put on a show.

The talk virus got started when ABC put talking Washington heads on at 11:30 every night during the Iran hostage crisis. The infection spread when the decidedly unglamorous Carters left Washington in favor of the televisionary Reagan administration. Then came round-the-clock news on cable, and live cameras in Congress. On the three morning news shows, more and more segments are now given over to Washington news. The political celebrity needs of the Sunday talk shows have also escalated as their formats have changed. The old-format "Meet the Press" required one newsmaker per show. One episode of ABC's "This Week with David Brinkley" can consume four officials in a single sitting, and the other networks have begun to ape this format. Then there are the shows on cable and PBS to supply—"Crossfire," MacNeil/Lehrer, "American Interests," and "Firing Line"; the late-night gabfests "Nightline" and "Nighwatch," eye-openers like "Sunrise," and the journo-celeb shows "Inside Washington" (formerly "Agronsky & Co."), the "McLaughlin Group," and "Washington Week in Review." That's a lot of empty chairs to fill.

Life is harder for some bookers than others. Although there are individual quirks among potential guests, there is a general ranking of show preferences starting with "Good Morning America" among the morning shows, "Nightline" at night, and Brinkley on Sunday (all ABC). But everyone wants to talk for 15 minutes, and even CBS's "Nightwatch," shown at 2 a.m., gets most of the stars at one time or another. Philip O'Connor, who books for "Nightwatch," says, "We haven't gotten George Shultz—he's a Sunday talk show kind of guy—but we've gotten everyone else, even Kissinger. They're more willing when I tell them we have three million viewers, college students, new parents, old people getting up to take a pill or go to the bathroom who can't get back to sleep."

SOME OF THE shows recently have taken to signing a contract with their best talkers: Bob Squier and Donald Regan on "Today," Norman Ornstein, David Gergen, and Mark Shields on MacNeil/Lehrer, and, of course, George Will on ABC. This exacerbates what all the bookers agree is the "white man problem." At ABC, GMA booker Farahnaz Ispahani says, "We are always on the lookout for new faces, even though it sometimes seems as if we are always calling the same four or five white men." Sonenshine, Timmons, and Ispahani are putting together a directory of women experts. Ispahani says, "There just aren't that many women visible in arms control, for instance. But it's important to get some started in the talk show mill."

Richard Harris of "Nightline" says he tries to resist "rounding up the usual suspects all the time." But it's hard. He says, "Sometimes I think every card on my Rolodex has Alan Dershowitz's name on it," a reference to the Harvard law professor who is available any time on any issue, a condition sometimes referred to as the Stephen Solarz syndrome. Timmons says of the New York representative, "He's good television, and you can call him at 5 a.m. and he'll come on that morning." But Solarz escapes the booker's most cutting put-down, reserved for chin-waggers who are so available "you don't even have to send a limousine."

MARGARET B. CARLSON

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Conservatism, post-Reagan.

AFTER THE REVOLUTION

THE MOST STRIKING fact about this presidential election is that conservatism (as a cause, as an idea) is muted, and the conservative candidates have already been defeated. The chief messengers of "economic conservatism" (Jack Kemp) and "social conservatism" (Pat Robertson) have been mown down in the Republican primaries and caucuses. It is whistling in the dark to say that Kemp's defeat was due only to weaknesses in his organization, a misconceived campaign plan, and his lack of a killer instinct. Kemp's message was clear. He was treated by the media as a serious challenger. He started with "name recognition." He was the only legitimate conservative with political experience. Yet his appeal stirred no significant constituency in the party, to say nothing of the nation, and he never came close to drawing together the diverse conservative groups that provided the shock troops for Reagan's first landslide victory. It is reported that Kemp is thinking of moving to California, believing it will be more congenial to his views in a future bid for the presidency. California is where fading gurus go to profit and expire.

In the election the most visible legacy of Reagan is the insect George Bush, whose virtues even political entomologists find hard to classify. Jeane Kirkpatrick has talked to the *Wall Street Journal* as if Bush were a butler she would not dream of hiring, and every other week the *National Review* pops a blood vessel as it tries to contain its contempt for the man. But what must really gall the conservatives is that none other than Barry Goldwater has endorsed Bush—In Your Heart You Know He's Wrong—and Jerry Falwell, for what it is now worth, threw his support to Bush as far back as 1986.

The conservative faithful will of course deny that their message is unpopular. Thus they blame the Senate's rejection of Robert Bork on a "conspiracy" of liberal special interest groups and join Bork in crying "Foul!" It would be more realistic to concede that the Senate's vote only reflected a popular revulsion against Bork's views, as he advanced them in his testimony, including a contemptuous manner that belied his assurances. Nathan Glazer recently pointed out that on some of the social issues, "particularly those pertaining to civil rights, the liberal opposition has been skillful, effective, committed—and it [the administration] lost again and again." So it proved in the case of Bork. But the liberal opposition has ultimately been effective only because public opinion is now squarely on the side of a generous interpretation of civil rights. People may have their anxieties on some of the social issues, but they draw a clear line at penalizing those who are "different," and at unwarranted interference with their civil rights. An example of this popular discrimination is the refusal of people in their local jurisdictions, whatever their personal views about homosexuality, to support conservative efforts to exclude homosexuals from teaching in public schools.

The conservatives might also ask themselves why Oliver North, for all the vaunt of his patriotism, is far from being a popular hero. In the cases of both Bork and North, the conservative direct-mail machine went into action to arouse support (or to put it another way, to intimidate Congress, as it once seemed able to do). But this time it found little public response. The ribbons of medals did not persuade any but the converted. (But then, the administration had already devalued the currency of decorations by distributing 8,000 medals after the Caribbean cruise to Grenada.) The total effect of North's much-publicized appearances was to place him somewhere in a *Soldier of Fortune* hall of fame, and to leave public opinion on assisting the *contras* substantially unchanged. It is the American people, not just a liberal opposition, who have rejected the conservative obsession with the *contras*.

AMERICAN CONSERVATISM is in much deeper disarray after two terms of Reaganism and the heralded "conservative revolution." The fervor of the right in support of an unrestrained market and its zealotry in trying to impose its values even on the most personal choices that other people make have left the traditional conservatives with no secure ground. The Republican Party as a whole is confused about what a conservative should think is the proper role of government—especially when the government has piled up monumental budget and trade deficits. What one cannot find after Reagan's cock-a-hoop years in the White House is the soul of American conservatism, and conservatism more than liberalism needs a soul. Among the twigs and debris that float on the surface of politics—our media commentators rushing from one side of the bridge to the other with every primary to see which comes through first, and reading from it some portent as Caesar looked for omens in the blotched and rotting liver of a goose—one needs a feeling that some slow deep current below has changed things.

It's true that in important ways public policy has shifted course, partly as a result of administration initiatives and Reagan's significant contribution in finding the symbolism to carry them through. But public policy was already ripe for a change and being redirected before 1981. Jimmy Carter earned Arthur M. Schlesinger Jr.'s rebuke that he was the most conservative Democratic president since Grover Cleveland, because in important respects he represented that shift. It does not detract from Reagan's successes to say that he captured rather than created a popular mood. Still, working with that mood, conservatism is now near the end of its tether.

There is precious little evidence that American conservatism has found any resource of profound belief on which it can draw to go on maturing. The very notions to which it appeals—nation, society, family, religion, individual enterprise, republican virtue, law 'n' order—are banners this administration has too often left in tatters. Do conservatives think it means nothing to the American people that the party that claims power in the name of law 'n' order

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fills the attorney general's office with men like Ed Meese, or that criminal indictments against members of this administration have become almost routine? Is a democratic people expected to cheer the privatization of foreign policy, of national security, and of the armed services by North and those who aided and abetted him? (North is not a hero to the Marine Corps.) Just as with Watergate, the president's men do not seem to realize that the people are unnerved by a lawless administration.

Or why do conservatives in the administration think that people do not judge them by the company they keep: by the morality and legality of their allies—most notably the outrageous behavior of some of the leaders of the religious right and the persistently cynical behavior of today's corporate capitalism and Wall Street? People may not believe that they live under a system of "economic violence," as Jackson's usual hyperbole has it, but there is no doubt that a profound popular disturbance over the leadership and working of the economic system is building. Conservatism suffers yet again because it will not confidently take its stand in the political realm to govern the economic realm with the majesty of the nation's law.

WITH NO DEPTH of purpose, conservatism has been undone in the past eight years by its distraction with enemies that do not excite the people with such alarm. It finds its adversaries in straw men, and gets overwrought in defense of straw causes. To talk of the "conservative revolution," as the right did in Reagan's first term, and some still do, is itself the most fevered of oxymorons.

The conservatives' overexcitement has made agitators of them. The apparent calm of Elliott Abrams's arrogant bearing is that of a fanatic, a Robespierre of the right. Most remarkably, they have emerged as the masters of putting down the United States, of underestimating its strength, its resilience, and its real successes and even victories (mostly gained, one may say in passing, by Democratic administrations); and above all, of underestimating the tried processes and steadiness of a democratic people. The two go together: the agitator preys on the supposed weakness, demoralization, and lack of the will of the democratic nation. The "San Francisco Democrats" whom Jeane Kirkpatrick reviled four years ago had nothing on the conservatives who have been running around the world to find places where America can be made to look weak. They are left to trot out the same names of the same corners of the world where they imagine the steamroller of the Soviet Union or "Marxism-Leninism" crushing the life out of American democracy and the imagined democracies that might flower in the oddest places.

The neoconservatives are part of the problem. Believing themselves misfits in their own party, they are by definition alienated in the party to which they have attached themselves, and full of suspicion, as most turncoats are, that the world is against them. Having made themselves homeless, they walk into the conservative temple to make it over. As miserable as Diogenes—have you ever seen a happy neoconservative?—they prowl even in daylight with their lanterns, crying that they have never met "an honest man," which may not be surprising, considering the company they keep.

What the neoconservatives have done is bring to American conservatism almost every worst fault of the liberals and even of the socialists they once were. They see politics in terms of issues, and issues of course are to be agitated. (The shrillness of *Commentary* every month is that of people trying to make trouble. It is profoundly unconservative for the "back of the book"—the reviews of books, art, and even movies—to be politicized.) They put their faith in statistics, ignoring the warning of the conservative Disraeli that "there are three kinds of lies: lies, damned lies, and statistics." Above all, perhaps, they are drawn from (and to) the media; they are publicists and recruit publicists, giving themselves quasi-academic titles as fellows of "conservative think tanks" (another oxymoron). They speak from very little faith; one feels no calm deepness in them.

They need a "cause," and an exaggerated fear of Russia is the handiest. The fact is that Russia (and the imaginary force of "Marxism-Leninism") has added no fertile or rewarding inch to its empire for the last four decades, despite the force at the command of the Soviet Union in 1945, and the weakness of the United States when it disarmed and was tempted to isolate itself again between 1945 and 1947. That success is being undermined as conservatives go around preaching the weakness of America, and in their agitation they will miss, as the true conservatives or Democrats would not, the real dangers to the United States. It is all very well to fling around the word "geopolitics," but geopolitics cannot be reduced to how one deals with Libya or Angola or Nicaragua or even, for that matter, Afghanistan. Afghanistan is—as it has always been—a pawn. We would like Russia out of Afghanistan for reasons of genuine national interest, not because there is anything noble or worth defending in the Afghan rebels.

THERE IS NO strategy in today's conservatism. After eight years, there is no Reagan Doctrine. The support of the *contras* is seen by the American people, as by the military, to be a substitute for policy. The voice in this magazine that calls for believing that democracy can be spread around the world by a wave of a conservative wand is the voice of Woodrow Wilson, but he spoke from the surging strength of America's industrialization, and a Progressive or liberal certainty that carried through the great reforms of his first administration. America is served well by most of its quietest men and women who attend to the limits of what is possible in areas of the world that have only newly arrived on the scene as entities. But wherever that experience, knowledge, and patience are shown, as in the State Department under the leadership of George Shultz, then you can be sure that the conservatives will condemn him and State.

Conservatism under Reagan has indeed pushed through significant changes in the nation's attitude to government. But in the end it is palsied, and for the most obvious reasons. To reduce government to, say, the military, the

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police, and tax collection is to reduce it to a symbol of coercion. If every good in people's lives is brought to them, like "Masterpiece Theater," by a grant from Mobil Oil, then government can no longer command loyalty.

This conservatism has supplied no reason for loving the nation as it exists in the actions of its government. The Reaganite conservative does not trust the political system, and so is always trying to circumvent it; he does not trust the instincts of Congress, but places profound faith in the wisdom of the executive if he is in charge; he does not trust the deep religious instinct of a people, unless it is decked out in the tawdry costume of a minute of silent prayer in school. The only loyalty that eight years of Reaganite conservatism has inspired is of each to the country of his self. The administration is petering out like a soap opera when the scriptwriters go on strike.

HENRY FAIRLIE

Who did well, and shouldn't have, on Black Monday.

CRASH VICTORS

BY JAMES J. CRAMER

EVERYONE KNOWS that millions of dollars were lost in last year's stock market crash. But nobody talks about the millions of dollars that were made, or, to be more accurate, stolen, in the chaos of October 19 and 20.

The people who ended up with the money are Wall Street's "specialists." They are principals in small firms that have privileged status on the American and New York stock exchanges. In return for taking on responsibilities that keep the market running smoothly, the firms are given unusual opportunities to profit. The specialists are a fairly obscure group of people. Though a number of them came into their lucrative franchises by inheritance, they aren't among Wall Street's most socially prominent names, and they don't often make headlines on the business page. They quietly do their jobs, more or less responsibly, and make tidy sums of money. For two days last October some of them did their jobs very irresponsibly and made immense sums of money.

Although this scandal hasn't been written about much, it can be read between the lines of one of the most important documents to emerge from the crash—the "Report of the Presidential Task Force on Market Mechanisms," also known as the Brady Report. Most of the attention the report has received focused on its suggestion (now dormant) that one superagency be in charge of all market regulation. Although this idea makes good sense, it's a shame that the task force's legacy should be so narrow, because the report is astonishingly rich in detail and fascinating in its depiction of what went wrong on Black Monday and the day after, and who took advantage of the carnage.

Anyone who reads the Brady Report should come away with two conclusions. First, the market collapse was completely avoidable; it should never have occurred, and there are things that can be done to keep it from recurring. In fact, if these reforms had been in place April 14, the Dow Jones industrial average wouldn't have dropped 101 points. Second, the government should not let the specialists go unpunished. They abused their privileges. Like looters in a blackout, they feasted on the confusion. Not all the specialists profited from the crash (some, in fact, lost their shirts), and not all of those who profited did so unethically. But there is enough evidence of enough shady conduct that a criminal inquiry—not to mention civil suits on behalf of aggrieved investors—should begin immediately.

People on Wall Street were skeptical when President Reagan commissioned former Senator Nicholas Brady to find out how market mechanisms had contributed to the sudden decline in prices. No esoteric explanation of the crash was considered necessary. The market had simply been too high. Stock prices had ceased to bear any relationship to the actual long-term value of the stocks. A correction, as they say, was in order.

But here it is, six months later, and a number of stocks are back to pre-crash levels. The Standard & Poor's 500 Index is not far from the heights seen the week before October 19, and the stocks said to be the most overvalued—the heavy industrial stocks such as Caterpillar, John Deere, and Bethlehem Steel—either have exceeded previous highs or sit near them now. In Japan the stock market recently surpassed its pre-crash level.

This isn't to say that stocks weren't overvalued in early October, and that a "correction" wasn't in order. But such a correction didn't require a four-day, 769-point drop in the Dow Jones industrial average, wiping out—at least temporarily—a third of the market's value. A properly functioning equities market should have been able to get

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from where we were last August to where we are today by a less hysterical and dangerous path—a gradual reduction over weeks instead of days, without a plunge that overshot the mark by several hundred points. The explanation for Black Monday can't lie in the fundamentals. The mechanisms of the market itself are largely to blame.

AT THE ROOT of the crash was a recently invented investment instrument called a stock futures contract—a bet, essentially, on the future prices of a group of stocks. If you sell, say, an S&P 500 futures contract, you're agreeing that on some specified date you'll pay the buyer an amount corresponding to the value of the Standard & Poor's 500 Stock Index on that day. The person who buys the future from you is betting that the stock market will go up between now and then. You're betting it won't.

Owning a futures contract is very much like owning the underlying stocks themselves (with one crucial difference, discussed below). For this reason, stock futures prices and stock prices tend to converge. If on Thursday the price of futures contracts that expire Friday is appreciably lower than the price of the cluster of underlying stocks, then any rational investor will sell stocks and buy futures; after all, as of tomorrow, the two will by definition have the same value, and in the meantime he can pocket the difference between the two prices. If the reverse is true—if futures are running higher than stocks—then money should flow in the opposite direction, from the futures market into the stock market. Either way, prices in the two markets are brought into line.

The game of index arbitrage, which has gotten a lot of attention recently, consists of moving large amounts of money back and forth like this, exploiting small price differences between the stock and futures markets to make profits without risk. Of course, the differences don't last long, so you have to move fast. That's why the game has been turned over to computers. This automated arbitrage is one kind of "program trading."

The tight linkage between prices in the two markets wouldn't be dangerous if it weren't for that one crucial difference between stocks and futures: margin requirements. To buy $100 in stocks, you have to put down $50 in cash up front, because margin requirements in the stock market are 50 percent. Margin requirements were among the reforms enacted after the 1929 crash to prevent excessive speculation. They are now an established and completely accepted feature of the stock market.

But government-imposed margin requirements are much more liberal in the market for stock futures, which for no logical reason is regulated by the relatively meek Commodities Futures Trading Commission rather than the Securities and Exchange Commission. In the futures market, margin requirements are in the neighborhood of ten percent. So the same amount of cash will buy around five times as much in futures as in the stock itself. But in the futures market even this ten percent margin rule is a bit of a fiction for regular players. Unlike buying a share of stock or a pork belly, you never really take delivery of a stock index future, because it doesn't really exist. In reality you don't put out any money up front. Instead, every day you own one, you either pay the amount you've lost that day or pocket the amount you've gained. This makes the futures market far more volatile than the stock market, since a small percentage change in the stock market will cause a large percentage change in your investment in stock index futures.

But remember: because the two markets are linked, waves in the futures market make waves in the stock market. So in the end, the advent of futures has opened a back door to the stock market and greatly reduced the amount of money it takes to jolt the financial system. This development inadvertently repealed one of the most important reforms enacted after the crash of 1929, thus making possible the crash of 1987.

THE MECHANISM through which the futures market did its mischief is portfolio insurance. Much has been written about the role of portfolio insurance in the crash, but only the Brady Report provides the brutal details of just how destructively it performed in its first severe test.

The idea behind portfolio insurance was simple enough. Investors had made lots of money off the bull market and wanted to make sure they didn't lose it. The advent of the futures market made this easier, or so people thought. Rather than selling the stocks themselves when the market starts to dip, which can be slow and cumbersome, investors can achieve the same protection more quickly and cheaply by selling index futures—in effect counterbalancing their continued ownership of stocks themselves with a bet that will pay off if the market goes down. (You can sell a future short, meaning you don't really have to own it in order to sell it.) Because futures are a relatively new thing, the managers of large stock portfolios (for pension funds, insurance companies, wealthy individuals) turned to consultants who specialize in portfolio insurance. Although the amounts these special consultants were playing with was only a small fraction of the total investment pool, the inherent leverage of the futures market meant that it represented a much larger chunk of actual stocks. The Brady Report reveals that portfolio managers surrendered control of futures representing $90 billion worth of stocks to a handful of consultants.

Because all the portfolio insurance consultants were basically playing the same game, they used very similar mathematical models to instruct their computers when to start selling futures. Almost all the models said that if the market declined by around ten percent, it was time to start unloading. By the end of the week preceding Black Monday, the market had fallen about that far, mainly because of a hike in the Federal Reserve's discount loan rate and an unexpectedly high trade deficit. So as the market opened on Monday, the insurance consultants were poised to sell. Billions of dollars' worth of sell orders hit the futures market almost at once. As in any case of excess supply, the result was lower prices—which meant a sudden gap between futures and stock prices. The index arbitrageurs (or really, their computers) moved in right away, selling stocks

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and buying futures. The stock market dropped sharply with this exodus of funds, causing insurance consultants to dump still more futures. This perpetuated the gap between stocks and futures, inviting more arbitrage and thus lowering stock prices even more.

The reason this vicious circle continued for so long is that the insurance consultants were almost completely insensitive to price. Their computers were programmed to sell, and they kept on selling. When the portfolio managers had signed up with the portfolio insurance consultants, no one contemplated that the futures market could drop so fast that a futures contract would lose much of its value between the decision to sell and the execution of the sale. But that sort of headlong plunge is just what the glut of sell orders created. And since the consultants had contracted to adhere to their models, they had no choice but to keep selling, regardless of how little they got. The supply of futures so outweighed the demand that a change in hands of three percent of the market brought prices down 30 percent—around a trillion dollars—in a matter of hours.

The Brady Report is so graphic in recounting how these portfolio insurers set off wild fluctuations that one wonders why anybody would ever own stocks again as long as portfolio insurance exists. But we don't have to worry. A day or so after the insurers had dragged the stock market down along with the futures market, destroying the values of the very stock portfolios they were supposed to protect, the portfolio managers came to their senses and fired most of them. The enthusiasm for portfolio insurance has cooled.

ONCE THE MARKET began to slide, the table was set for the specialists. Every stock on the New York exchange is assigned to a specialist on the trading floor, and the main job of each specialist is to ensure a "fair and orderly" market for that stock. The firm does this, first, by fielding buy and sell orders and matching them up. It will, for example, buy stock at 100 per share and turn around and sell it at 100.5. The difference between the two prices—the spread—is how specialists make money. It is essentially a commission, and the specialist collects a lot of these in the course of a day. The less attractive part of the specialist's job comes when such matches can't be arranged, and he must step in and buy or sell stock as necessary to keep the market running smoothly. If someone wants to buy stock at the same price it sold for only minutes ago, but all the sellers are gone, the specialist sells, whether or not it seems like a good idea.

The specialist's obligation to do the things nobody else wants to do means he often finds himself going against the grain, selling in a bull market or buying in a bear market. That's one of his most critical functions—to cool things down or heat them up. Performing this service to the market is the quid pro quo for the profit the specialist makes during normal trading.

Specialists aren't fools. They initially tried to lean against the prevailing winds on Black Monday. But when the wind turned into a tornado, many simply stepped aside and let prices fall dramatically. This in itself is not dereliction of duty; specialists, like everyone else, have a limited supply of capital, and they can't keep buying forever. But some specialists did more than stand aside. They actively abetted the market's plunge by "selling short." That is, they borrowed stock from a broker and sold it at prevailing prices. They did this in the certainty that prices would fall further, permitting them to then buy the same stock at a lower price, use it to repay the broker, and pocket the difference between the buying and selling price. In other words, they bet that the stock would continue to drop, and the bet paid off.

Selling short might be justified if a specialist, having exhausted his supply of stock, was faced with many buyers and no sellers. But on Black Monday and Terrible Tuesday, there was no shortage of sellers. A responsible specialist would have matched some of those sellers up with the few buyers, reducing the downward pressure on the market. Instead, unscrupulous specialists increased that pressure, taking the buy orders for themselves while holding the would-be sellers at bay.

YOU DON'T HEAR MUCH about this because the stock exchanges have handled their investigations of the specialists very quietly, and the Brady Report refers to the whole matter only in cryptic language. On Terrible Tuesday, the report says, "The quality and extent of specialist behavior deteriorated. Only about 39 percent of specialists [in a sample of 31 firms] generally resisted price changes, a further 39 percent tended to exacerbate trends, and 22 percent limited the extent of their effort." Translation: 39 percent performed with great valor and, in many cases, at great loss; 22 percent eventually bowed out and let the market fall, knowing a lost cause when they saw one; and 39 percent sold short, shamelessly making money off of everyone else's misfortune—indeed, compounding the misery.

Meanwhile, as the specialists let, or helped, prices drop, margin calls went out all over the country. Investors who had used stock as collateral to buy other stock found their collateral had shrunk and didn't meet the minimum requirements. They had to sell. Brutal, forced selling took place, as investors scrambled to raise money. Specialists feasted on these hard-case sellers, making them ridiculously lowball bids and then turning around and selling the stock at higher prices, as the few investors with cash to spare moved in to buy this newly cheap merchandise in anticipation of an eventual upswing.

It's hard to say exactly how sleazy this particular aspect of the specialists' conduct was, because the specialists have a corner on the relevant data. In order to perform his function, the specialist must know about all buy and sell orders for his stock. And while he is obliged to share the information with any inquiring brokers, he alone has continuous access to it. In periods of chaos, when buy and sell orders diverge sharply, this information monopoly makes it tempting to reap quick profits at the expense of the unknowing public. If one investor is offering to sell at 100,

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and another to buy at 105, the specialist can, rather than give the two a break and cut the deal at the usual spread of 102.25 and 102.75, buy and sell at the prices offered, making a killing. This sort of behavior—*instantaneously* buying low and selling much higher—is a much more severe betrayal of the market's trust than simply buying low in anticipation of an upswing. How much of it went on we don't know. All we can say for sure is that prices seem to have jumped erratically, with several points sometimes separating buys and sells.

THE MOST DRAMATIC of these gaps occurred between the market's closing on Monday and its opening on Tuesday. Consider America's foremost bank stock, J. P. Morgan. On Monday afternoon the J. P. Morgan specialist simply disappeared, as the stock fell from 41 to 27¾. On Tuesday, although nothing fundamental about the company had changed since Monday afternoon, the specialist opened the stock at 47, a gap of 19¼ points. The stock plummeted from there, but not before a tidy sum of money had been made by selling stock that had been bought cheap on Monday. It may seem as if the specialist had every right to set the price at 47. After all, whatever buyers will pay is by definition the market value. But many of these buy orders were "market orders"; rather than specify a price, the investors had given instructions to buy at the prevailing market price, never dreaming that it would nearly double overnight. The American stock market is the success that it is precisely because buyers are willing to put their trust in the market in this way. The specialists are supposed to protect the integrity of the market—and, thereby, its very existence—by making sure this trust is not misplaced. On Terrible Tuesday it was misplaced. If people don't believe the market is honest, there's no market. And having the world's most efficient and trusted capital markets has been a key to American prosperity.

The New York Stock Exchange has relieved 15 specialists of their franchise, including the firm specializing in J. P. Morgan stock. But all these firms are specialists in many stocks, and their other franchises have remained untouched. Furthermore, the proceedings have not been made public, so we may never know exactly what those 15 firms did. Meanwhile, what has happened to the money dishonestly made? It wasn't refunded, and investors haven't been offered any way to retrieve it. (Any ambitious young lawyers out there?) Further, there's been virtually no discussion of reform. For example: Why are specialists granted a monopoly? In the over-the-counter market, several different firms are allowed to serve as "market makers" in a given stock. Why not on the New York and American exchanges?

But the specialists wouldn't have had the opportunity to exploit investors if it weren't for the power the futures market has over the stock market. This power has in effect undone some of our most vital stock market regulations. Before the crash of 1929, investors could play the stock market by putting no more than five percent down in cash. But this low margin requirement led to rampant speculation, and when the market crashed, few players had the money to meet margin calls. The result was a dismal round of forced selling and falling prices. One conclusion that emerged from the fiasco was that speculation should be curbed by raising margin requirements. From the 1930s into the 1980s, the investing public could play the market only by paying at least 50 percent of the stock price up front.

Then in the 1980s several enterprising groups of people in the Midwest developed a series of derivative securities, notably futures contracts. The two big commodities exchanges—the Chicago Mercantile Exchange and the Chicago Board of Trade—took up stock index futures as a lucrative new business. The result was to give futures players an influence on the economic future of the nation—and the world—far out of proportion to their wealth. As the Brady Report points out, "Although the value of open interest in the futures contracts (the sum of the money invested in stock futures) is only a small fraction of the value of NYSE stocks, the value of stocks represented by the volume of the futures contracts traded on the Chicago Mercantile Exchange daily is typically about twice the value of stocks traded on the New York Stock Exchange daily."

There are other problems with the futures market as well. The stock market has a "plus-tick" rule: you can only sell a stock short when its price is rising, however briefly. This is designed to prevent a self-feeding short-sale slide. But the futures market has no such restrictions. This fact, combined with the futures market's disproportionate leverage, explains why a handful of insurance consultants selling futures contracts in October were able to bring the whole market down. It also explains why the Dow dropped 101 points on April 14. Sure, the news on the trade deficit was bad that day, but it wasn't 101 points' worth of bad. The evidence suggests that a few powerful speculators in the futures market are equally to blame. First they went into the stock market and sold short heavily—betting a lot, in essence, on a further decline in the market. Then they entered the futures market with a smaller but more potent amount of money. They massively sold futures short, initiating a decline in the futures market that pulled the stock market along with it, thus ensuring that they won their original bet.

WE'VE CREATED a situation where individuals with far less money than J. P. Morgan had can move stock prices far more easily than Morgan could in his prime. Investors' jitters have not settled since October 19, and a couple of committed speculators, each with $100 million to $200 million in pooled cash, could, without a doubt, engineer another full-fledged crash. Because there are ways for any prescient investor to profit from a crash, many people will be greatly tempted to wreak this sort of havoc. Until the rules against manipulation and irresponsible speculation that protected the stock market for half a century are extended to the new futures market as well, there is no reason to believe that Black Monday will end up being the darkest day of this decade. □

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A symposium.

LIBERALISM AND 'COMMUNITY'

In our February 22 issue, political theorist Michael J. Sandel urged the Democrats to move from a philosophy of rights and entitlements toward a new stress on community, local and national. We asked nine experts to comment on his proposals. Barbara Ehrenreich is a fellow at the Institute for Policy Studies. Richard John Neuhaus heads the Center on Religion and Society and is the author of *The Naked Public Square*, a call for a revived communitarianism in American public life. Jean Bethke Elshtain is professor of political science at Vanderbilt University. Michael Novak is a resident scholar at the American Enterprise Institute. Robert B. Reich is a contributing editor at TNR. Nancy L. Rosenblum, professor of political theory at Brown University, is the author of *Another Liberalism*, in part a critique of communitarianism. Jim Cooper is a U.S. representative from Tennessee. Donald M. Fraser is mayor of Minneapolis.

ANOTHER COMMUNITARIANISM

Who could be so churlish as to quarrel with a communitarian? Everyone wants "community": neighborhood softball games, old-timers hanging out at the drug store, goodwill all around. The left has long promoted a decentralized polity, engaging people in the "decisions that affect their lives." Yet there is always something just out of focus about communitarianism as a political theory, Sandel's kindly version included. It's as if, in straining so hard for the Good, Sandel must end up shielding his eyes from the Bad and the Ugly.

Sandel assumes that the New Right appealed to a communitarian sentiment, a desire to belong to something moral and meaningful: God, family, country. In fact the operative New Right impulse wasn't communitarian at all, but authoritarian. Even the pro-life movement, the right's most compelling crusade, draws on impulses deeply punitive toward those who expect to have fun and "get away with it." Liberalism can build on all sorts of emotions—envy, resentment, nostalgia for a happier time—but not on punitive rage against the social other.

The problem with liberalism today is not that it neglected a communitarian rationale for its agenda. It is that, against the ascendant right, liberalism simply went underground. You have to be far from the fray to attribute liberalism's decline to an adherence to "the individualistic language of rights and entitlements." Liberals stopped talking about entitlements in any language. The word for *that* is cowardice.

If Sandel is arguing that Democrats move to the left and reclaim the moral high ground, I agree. But we need a tough-minded communitarianism that goes beyond coziness. We must address corporate irresponsibility with laws against arbitrary plant closings and other community-wrecking behavior. We must stop flinching at the real divisions that make America less than a community. We have to take sides with the poor, the excluded, the economically insecure, and address inequalities even when it offends the powerful. No community can span Donald Trump and New York's homeless, the racist mobs in Queens and the angry blacks in Brooklyn.

We should learn from the Great Society the dangers of a fragmented approach to social policy: Medicaid for the poor, Medicare for the elderly, unemployment compensation for the laid-off worker, AFDC for the unemployed single mother. We need universal programs—with sliding scales if necessary—so that diverse groups develop a common stake in preserving the activities of government. We should also show how "big government" can promote local empowerment, such as the federally financed neighborhood health centers with mandatory community participation. These not only provide much-needed services, they become centers of the kind of activism that can transform a locality into a true community. Let the federal government guarantee at least part of the funding—for health care, child care—and let local communities figure out how to provide it.

BARBARA EHRENREICH

A COMMUNITY TOO LATE

Sandel rightly says that "liberalism must learn the language of self-government and community." But the rhetoric soon runs up against the power blocs that now control the Democratic Party.

Sandel favors empowering parents and communities in education. I agree, but tell that to the National Education Association and the American Federation of Teachers, and their hundreds of delegates at the Democratic convention. Real empowerment requires that parents have real choices, and that is resisted by unionized employees who guard their monopoly of government funds for education. Whether in the form of vouchers or tax credits, the state education industry steadfastly denies to lower- and middle-class parents the prerogative of the better off—to send their children to the schools of their choice.

Sandel calls for new attention to the moral dimensions of personal and communal responsibility. I agree, but tell that to an antiquated civil rights leadership that has a deep interest in continuing to sell the lie that there is a political fix for moral and communal disaster. Last year more than 80 percent of all the children born in Bedford-Stuyvesant, New York's largest concentration of the black underclass, were born outside of marriage. Has any population anywhere reconstituted the family after it was destroyed? These are the people who most poignantly fit Sandel's description of those who are "more entitled but less empowered at the same time." In response to this moral and communal devastation, the black leadership to which the Democrats are hostage calls for raising the minimum wage and cranking up the Great Society for one more ride.

Sandel says liberals should not flee but engage in moral argument. I agree, but tell that to the National Organization for Women, which, with respect to abortion, imposes an orthodoxy of individualism in which moral argument is ended by invoking the dogma of private preference. To judge from the abortion debate thus far, any Democratic candidate who indicates more than a safely private dissent from this orthodoxy of putative progress will be lucky to get a guest pass to the bleachers at Atlanta.

Sandel observes that "fundamentalists rush in where liberals fear to tread." They also rush out of a party where they are viewed with contempt. And not only fundamentalists, but also moderate evangelicals, Roman Catholics, Lutherans, and large sectors of "mainline" Protestantism. The astonishing truth is that the Democratic Party has been taken captive by forces that are at odds

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with the moral, religious, and commonsensical sensibilities that make for what Sandel calls community and control. I believe his argument is the key to deliverance. I am afraid it comes too late. The key does not fit. Somebody has changed the lock.

RICHARD JOHN NEUHAUS

The Barrier Of The Law

It is important to be clear about what Sandel does *not* do in his manifesto. He does not tediously insist that every social, moral, and political issue can be situated tidily on a progressive/regressive continuum. He does not urge Democrats to jettison rights and individual liberty. Rather he argues that so long as rights are trumps, for liberal Democrats and individualist conservatives alike, the public debate we need will not take place. Why? Because if rights and entitlements beat any card on the table, alternative civic goods will fail to gain a hearing.

There is a problem, though, with evocations of citizenship that leap immediately to the meta-level. There is the sobering fact that citizenship is most realizable in times of war, when we are one people united against a foe. That, historically, has presented a far greater peril to freedom than the petty campaigns in small towns against drug-store smut. So no grand ideal of national civic virtue. Rather a more modest, more realizable project: recapturing civic empowerment at the peripheries.

The project Sandel sketches is a daunting one—not only because we are so far gone in making individual choice an absolute and any diminution an act of oppression, but because a genuine decentralizing project means undoing much of American legal philosophy. In a provocative essay on "The City as a Legal Concept," Harvard law professor Gerald Frug writes that the legal powerlessness of cities and local communities "has become so basic to our current way of understanding American society that no modest effort to 'revitalize' the cities by decentralizing power can succeed. Real decentralization requires rethinking and, ultimately, restructuring American society itself." It seems to me that city and community powerlessness and the loss of an intellectually vital public discourse have gone hand in hand.

JEAN BETHKE ELSHTAIN

Toward A Liberal Morality

As Sandel suggests, there is in liberal societies a much deeper social sense than Anglo-American liberal thinkers usually bother to make explicit. Most descendants of Jewish and Catholic immigrants to the United States, who know the experience of close families, soon become painfully aware that official liberal thought is not making explicit its own assumptions.

Writing recently of teenagers at a party where drugs were present and the host's parents were not, Robert Kuttner observed: "We good liberals sounded like Cotton Mather. Few parents are very liberal where 13-year-olds are concerned." Trying to explain Reagan's appeal, he added, "The idea that children ought to obey their parents and their teachers is a conservative idea. And for that matter, navigating a family through the vicissitudes of modern life is an essentially conservative enterprise."

Yet in this sense liberalism is also a conservative enterprise. Liberalism has a set of required virtues and disciplines, and a heavy reliance upon practices of moral integrity. You will find concepts that presuppose a moral community in Mill, Locke, the *Federalist*, and Tocqueville. From common good to public interest, from family to neighborhood, from small associations to large political parties, our liberal ancestors did not neglect what we now call communitarian conceptions.

A liberal order is incompatible with moral nihilism. It depends upon the capacity of its citizens to govern their passions, if they are to govern an entire nation. Free citizens must penetrate the veils of their private interests even to perceive, let alone secure, the public interest. And the first places virtue is learned are families, parishes, synagogues, and local associations of every sort—precisely the places where liberal majorities were once based.

MICHAEL NOVAK

A Question Of Geography

There's one problem with Sandel's—and Reagan's—campaign for community. In real life, most of us don't live in communities at all in the traditional sense (kids running over lawns, corner soda fountains, town meetings, PTAs). The majority of middle-class families live in suburban subdivisions bordered by highways and punctuated by shopping malls; the rich live in condos, co-ops, and retirement communities; the poor live in dilapidated houses, ramshackle apartment buildings, and projects. Most of us commute to work and socialize on some basis other than geographic proximity to where we sleep. And we move every five years or so to a completely different region. In a recent survey half the respondents couldn't name two non-family members who lived in their apartment building or on their block.

There is one thing Americans *do* have in common with our neighbors, and this commonality has been at the heart of Reagan's communitarianism. It is our income levels. We can bet we earn about the same amount as those who live on the same street, pay roughly the same taxes, and tend to buy the same things. The best definition of neighborhood now is the zip code used by specialized sales catalogs to target likely customers.

Those of us who own our homes also share with our neighbors a passionate interest in maintaining or upgrading property values. And this commitment is responsible for much of what has brought neighbors together in recent years. Neighbors who have never met one another suddenly feel an intense solidarity when a black family is about to move down the block, when the local school might be integrated with kids bused from another "community," or when a poor district nearby proposes consolidation to gain more tax revenues and better services.

Reagan's communitarianism has celebrated and legitimized these economic enclaves. If generosity and solidarity end at the borders of our property values, as Reagan suggests, then most of us can be virtuous citizens at small cost. Since almost everyone in our community is by definition as well-off as we are, there's no cause for a stricken conscience. If inhabitants of another neighborhood, uniformly poorer than we are, need help, let them look to one another.

Sandel believes liberal communitarians need not succumb to this cynical fate, and that a geographic community can still offer a civic education in inclusion rather than exclusion. But apart from a casual reference to the civil rights movement of 20 years ago, he offers no evidence for his optimism. To the contrary, his proposals to restrict the mobility of capital and require that corporations be more accountable to local communities may only freeze economic

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resources in place, protecting wealthier enclaves while condemning poorer areas to poverty, and blocking the upward mobility of the few poor otherwise able to escape.

Ronald Reagan's communitarian notions have given the American public an easy way to keep the image of generosity and solidarity without bearing the responsibilities. But the liberal task is not to add legitimacy to the spurious notion of geographic community. It is to seek new ways of defining and fostering community that transcend borders of race, ethnicity, and class.

ROBERT B. REICH

A Liberalism In Common

The choice Sandel sets up—between "rights" and "community"—misses the complexity of American political culture. Communitarians too easily forget—unlike Reagan—that Americans, liberal or conservative, are irrepressibly individualistic. They also ignore the facts. When American politics is in the grip of a popular craving for moral community, people do not speak about their own obligations, but rail against the iniquity of others. The communitarians' republic of the common good is supposed to appeal to the isolated, atomistic individual, but anomie may be vastly preferable to grim and disturbingly vague calls for respirited public life.

Sandel is right to say that the language of rights has lost its heroic aura and evokes a dry, pragmatic image of political society. Liberals have failed to address our intuitive responses to political life. It needn't be that way. There is a great tradition within liberal political thought—Mill and Thoreau especially—that combines all of Sandel's sentiment *and* liberal rights. Liberals have often employed ideas of personal satisfaction, expression, and uniqueness to give rights an allure they now lack. These affective, individualist qualities—powerful and widespread—are a vital security. No forces are more implacable in their resistance to bureaucracy, arid utility, and despotisms both public and private. But they are also capable of engendering real public support, by addressing Americans' sense of atomization. They are the individualist's defense against identification with one role and confinement to one place, against tedium and satiation.

Existing policies—day care, further education vouchers, for example—can be justified as a way of developing individual self-expression, of making liberal rights more worthy of our affection. If Sandel wants to evoke the sentiments of "community," there are resources within liberalism already at his disposal.

NANCY L. ROSENBLUM

After Patriotism

Sandel is right to remind the Democrats about the importance of the concept of community. No party can survive for long without giving the voter a sense of belonging to something she cares deeply about. But Sandel implies that we are guilty as a party of ignoring communities that are smaller than the nation. Are we? Democrats hold the clear majority of most local and state offices. If anything, our weakness lies in downplaying the power of the national community metaphor: of being identified as the less patriotic party.

But Sandel's ideas on the economy worry me most. He speaks admiringly of the "social democracies of Europe" and of past U.S. debates between "national economic policy" and "anti-trust policy and economic decentralization." He argues for "reform in the structure of the modern economy" itself. The problems he hopes to solve are capital mobility, corporate unaccountability, and work practices that break up families. At Sandel's level of economic generality, it is hard to tell whether he is arguing for industrial policy or socialism, for passing plant closing laws or bans on takeovers, for protectionism or free trade. At best it sounds like a hankering for a replay of "the social democracies of Europe." Their example may have inspired the welfare programs of the New Deal, but I hope that today we will emulate rising, not declining, world powers.

JIM COOPER

The Link To Policy

Sandel's plea for "a larger idea" from Democrats certainly touches a chord among presidential campaign-watchers like me who yearn for someone who will transcend the "issues" and reawaken the nation's commitment to its basic ideals. He is correct that a new Democratic vision can no longer draw on an exhausted liberalism grounded in calls for more entitlements and welfare programs. Americans are concerned that their children do not succeed in school. Their neighborhoods are dangerous, impersonal places in which to live. Their jobs conflict with family. Their relationships—even with spouses—are often temporary and shattered by pressures over which they have little control. Reviving civic virtue—through community—is one way to address these problems.

There are, however, three fundamental difficulties. First, if the goals of self-government require controls upon the movement of capital, one must first show that they won't stifle America's competitive position in a global economy. Second, it is unclear how liberals can defend the ideal of civic virtue without effectively betraying the inheritance they bequeathed to the country: individual choice of values and goals. And third, there is the difficulty of weaving Sandel's public philosophy into the current debates on jobs, economic justice, public morality, worldwide economic competition, and international affairs.

One strategy to connect Sandel's public philosophy with today's issues is to focus upon the task of saving our children. This has moral foundations, and can only be achieved through the communal support Sandel hails. My energies as mayor have been devoted to highlighting the problems of disadvantaged youth at risk of school failure, teenage pregnancy, drug addiction, and criminal behavior. Our welfare system, by providing long-term support for unemployed single parents, rewards dependency and facilitates social disintegration. I have proposed radically reorienting welfare away from long-term support of single parents toward support for children. This requires public support for early childhood education through parent-child centers and income assistance, health care, and child care based on the income of low-income wage earners. By focusing the welfare reform debate in this way, we may not save much money; we may, though, save our children from institutionalized poverty.

We need specific programmatic themes, such as children's needs, to move Sandel's concepts of community and self-government off the academic bookshelf and into the political marketplace. Whether, even then, a Democrat will be able to sell them is anyone's guess. But I agree with Sandel that we must at least try.

DONALD M. FRASER

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STANLEY KAUFFMANN ON FILMS

Some Americans in Paris

I walked out of Alan Rudolph's last film, *Made in Heaven*, after 20 minutes and felt that my departure was 15 minutes overdue. I sat down at his new film with my hat and coat at the ready. But the first three minutes of *The Moderns* made me stow them away. It began superbly, high heavens above *Made in Heaven* and much more interestingly than my previous Rudolph experience, *Welcome to L.A.*

The Moderns
(Alive Films)

The subject is inviting—American expatriates in the Paris of the late 1920s. The film opens in a crowded chic café; the atmosphere both dense and airy, the buzz of conversation that seems to surround people like a fabric—these are captured at once. Rudolph keeps the camera close to people, sliding between them in the crowded room like a curious ghost from the present, eavesdropping. The colors in Toyomichi Kurita's camera are all "off"—off-black, off-red, and so on. Renée April's costumes perceive the past with affection and wit. The music by Mark Isham is perfect: it heightens the vitality of the scene without distracting us. But paramount was the immediate conviction that Rudolph had begun with a vision, that the vision was exactly right, and that he was achieving it. Those first three minutes promised a film of substance.

The promise was soon broken, but not completely. Throughout *The Moderns* the visual elements and Isham's music are fine. Rudolph is especially effective in crowd scenes like the opening, where movement of people and camera are delicately braided, where odd characters flutter through the background unemphasized. He is somewhat addicted to close-ups and to dollying in further on faces that are already solo on the screen, but all of *The Moderns* is, as the Kern song says, lovely to look at.

The song then says "delightful to know," and that's not true of the film. The performances and the screenplay are abominable, made more so because they are fixed in a beautiful context. I can't say of the actors that one is worse than the other because the phrase implies serial order and these performances recur.

Keith Carradine is the hero, an American painter who does newspaper caricatures for a living, and any hint that we are going to get substance from this long actor with a long face is shattered when he speaks. He is a shallow faker. Linda Fiorentino, as the love of his life now "married" to another, looks mysterious and smoky until she opens her mouth and goes flat. John Lone, who was modestly effective as the Last Emperor in Bertolucci's film possibly because the role was ineffectual, here plays the other man and is lost. He is meant to come on as, I think, a new Yul Brynner, faintly foreign, more than faintly menacing and dynamic. Most of the time he is just ridiculous. (And why are so many of his appearances accompanied by operatic arias on the sound track? What's the connection?)

With Wallace Shawn, who is a *Herald-Tribune* columnist, there is no initial delusion; as an actor he is instantly and always a blubbery bubble who keeps bobbing. Geraldine Chaplin, here a society debauchee, has long been mysterious, the mystery being, Why does any film use her? She is merely a silly, pretentious poseur. Kevin J. O'Connor, who plays Ernest Hemingway, is a freshman in a college drama society. The women who play Gertrude Stein and Alice B. Toklas don't even look the parts. (Toklas is prettified.) The only actor with some solidity is Genevieve Bujold, as a sympathetic art dealer.

All that can be said for the cast is that the greatest actors in the world couldn't really have succeeded with this story and dialogue, which were written by Rudolph and Jon Bradshaw. The screenplay seems a parody of a silent-film Grand Romance, except that here it's burdened with "spoken" ludicrous intertitles. The main concern is the anguished love between Carradine and Fiorentino. She arrives in Paris as the "wife" of Lone, who has made a fortune in condoms, has killed a man, and has been an escape artist like Houdini. (You recognize the type, I'm sure.) The first time that Carradine and Fiorentino are alone together, after they have exchanged heavy glances in front of Lone, he says to her, "We're still married." She says, "I haven't told him." So we know we're on an elevator going up up up into Cloudcuckooland.

It's a close decision, but probably the worst dialogue is Hemingway's, who gets to say such terse things as "A fight is just a fight, and when it's fought, it's something else." But Shawn's role is a contender. When he and Carradine are hustled out of Stein's salon for misbehavior, Shawn protests, "Oh, come on, we're artists. Temperamental people."

The plot hinges, eventually, on Carradine's execution of three painting forgeries, and if I followed the twists, we learn that three now-famous paintings—one each by Cézanne, Modigliani, and Matisse—are in fact copies done by Carradine. But the plot doesn't end there: later scenes on the banks of the

FILMS WORTH SEEING

Housekeeping. Extraordinary acting and directing transform a fey comedy into a mythic drama of lingering frontier spirit. Fine. (Reviewed 1/18/88)

The Two Lives of Mattia Pascal. Marcello Mastroianni brims with charm as a self-serving scamp in this freehand, modern adaptation of Pirandello's novel. (4/18/88)

The Unbearable Lightness of Being. Three attractive and skilled actors in the principal roles do a good deal to compensate for what is omitted of Kundera's novel. (2/29/88)

White Mischief. Very stylish dramatization of actual murder-and-scandal in high society, Kenya 1941. The only reason for bothering with the subject is the film's texture, but the texture is there. (4/11/88)

SK

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Seine and in New York find even drearier depths of hokum.

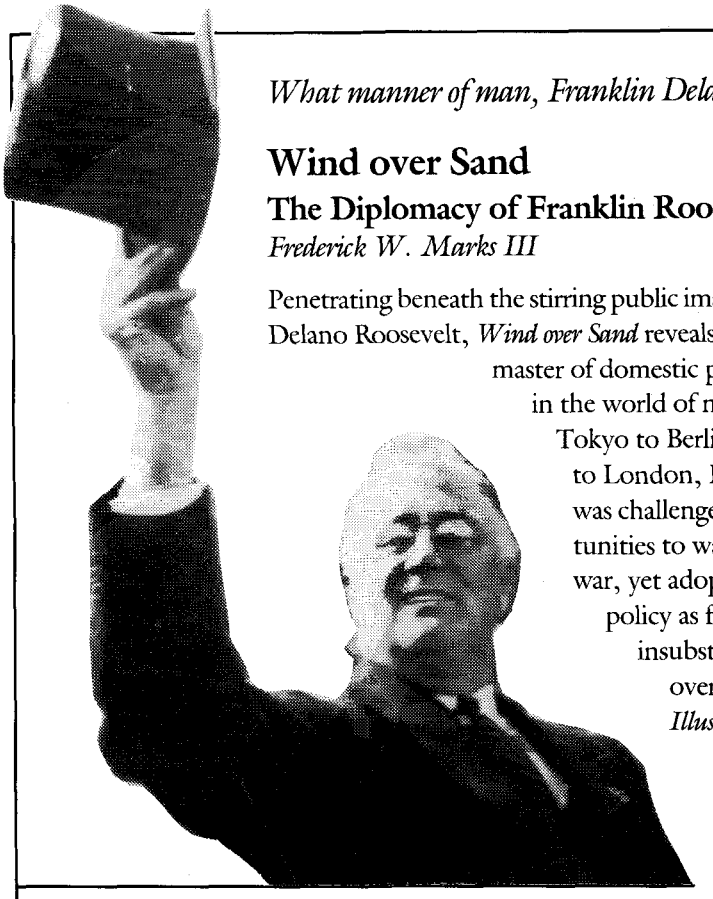
Mess though it is as a total experience, *The Moderns* is worth discussing for two reasons. First, Rudolph has become (if it's possible to *become* one) an idiot savant of cinematics. In addition to the filmic excellences mentioned above, he runs newsreels of '20s Paris under the credits, and at the end of fictional sequences, he drains color from them and lets the screen settle back into black-and-white newsreel for a moment before we go on to the next color sequence. This device integrates the actual city and period with the fiction and, like much else in the film, it had to be "seen" in the director's head before it could be done.

This raises the second point. Very often we get films that are better directed than written—*A Taxing Woman*, discussed last week, is the most recent—but it's rare to see one in which the schism is as wide as in *The Moderns*. (It's even rarer to see one that's well written and acted but poorly directed. *Pocket Money* with Paul Newman and Lee Marvin is one such.)

The film world—and, as far as I've seen, film schools—tends to breed directors who are adept with visual elements and weaker with everything else. Rudolph's film school, so to speak, was a long apprenticeship with Robert Altman. He was assistant director on three Altman films, and he wrote the screen adaptation of Arthur Kopit's *Indians* for Altman. The credits of *The Moderns* even give special thanks to Altman. The older man is a gargantuan instance of a director so in love with his visual virtuosity that other elements in his films, other judgments, often suffer badly. Like master, like disciple.

I've long thought that film schools ought to require, for admission to their directing programs, that an applicant write a screenplay and indicate a possible cast for it. The applicant would not have to be a good writer but would have to be a good imaginer, would have to show some ambition toward possible subjects and would have to possess some instinct about the acting means to realize them. At least this requirement would alert the applicant to the fact that good filmmaking demands more than the sheer shooting of film.

Schools with such prerequisites could help to redress an imbalance rooted in film history. Film came along later than the theater by some 2,500 years and has been so eager to vaunt its unique pow-



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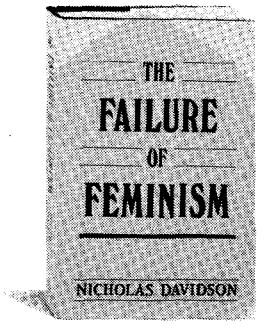
The Failure of Feminism

by Nicholas Davidson



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ers that it has frequently scanted the theater's powers, also available to film and also important: dramatic structure and acting. Even some of the best directors—among them, Antonioni, Bergman, Fellini, Visconti, Hitchcock, Ford—have at times turned out cinematic pieces that were weak in story and cast. The irony with Rudolph is that his very considerable improvement has only made him the latest example of this schism in film history.

EDWARD ROTHSTEIN ON MUSIC

For the Record

I recently heard a recording that existed neither on tape nor on LP nor on CD. In fact, it had never even existed in live form. It was played off a computer disk by a digital editing system in a studio of one of the major record companies. The score was open before us, as the editing engineer demonstrated what he had done to this performance of an extraordinarily difficult composition, played by a young artist of middling talent and showy credentials. The work had been subjected to over two dozen recorded takes of various kinds. The producer had marked the score with colored pencils, showing which take should supply which phrase of the final version—sometimes using just a single note from a given take; the first page alone was a technicolor mosaic.

The editor's job was to splice these fragments into a performance. Using the latest technology, such splices never required handling and cutting tape: the computer selected the digital episodes from a disk and stitched them together. The editor could then boost the volume of one phrase to match another, merge one note from one take into one note from another, even change tempo and pitch all at the touch of a key. The result was amazingly seamless but thoroughly banal. It was a performance manufactured—like many others, I was told—in the engineer's studio, a construction, a fake, lacking the energy and conviction of a true interpretation.

Of course, there still exist integral performances on LP and CD, and some with integrity as well. But technological developments in the recording industry have always transformed the message along with the medium. Each change in the way recordings are made has been accompanied by another change in the way they are thought about and sold. When recordings had to be captured on hot wax and could not even be heard for several months until a record was cut, companies tended to treat their products as unique, precious records of a fleeting instant. The voice of Caruso, the pianism of Paderewski—these were treasures even as they were made. When Schnabel's version of the Beethoven Sonatas was recorded without edits or corrections, the industry was attuned to these very limitations. What was being sold was the performer's spirit, a captured immediacy, cut into grooves.

Once tape came into use, with its possibilities for splicing and merging tracks, the record became not a captured moment, but a created one. The great producers of this era after the war—Walter Legge, John Culshaw, Goddard Lieberson—were making models of a work, not just records of a performance. Recordings were meant to be representative of all the performances of a work by an artist, not just a single one. They were meant to be more essential than immediate, more purposeful than accidental. Legge, whose recordings for the British company EMI of Karajan, Klemperer, and his wife, Elisabeth Schwarzkopf, had a substantial impact on the musical sensibility of a generation, wrote: "It was my aim to make records that would set the standards by which public performances and the artists of the future would be judged." Legge wanted to create a recording that was an archetype: it was not subsidiary to a performance, it was its arbiter. This was a new claim for the record, which in turn found a new niche in the marketplace.

Legge accomplished this not primarily through cut and paste jobs on tape, but through ruthless and obsessive attention to the details of a performance, coaching the artists himself, insisting on his version of perfection, working for hours on a single phrase. Culshaw—whose work with Decca in England is just as lasting as Legge's for EMI—had similar notions but more humility before the artists he recorded. His emphasis was less on directing the details of the interpretation than on treating the recording itself as a distinct medium, creating, for example, a sonic world that was suited to the work being recorded. The first complete recorded version of Wagner's *Ring* (under Solti's direction) was notorious for its self-conscious use of stereo sound. Lieberson at Columbia Records took yet another approach to the status of recordings, expanding repertory and performers, demanding from his record company both range and seriousness.

But this elevation of the claims of classical recording, and the expansion of the market during these decades, ultimately led to its undoing. For the more the record was thought of as something created, the more it could be thought of as a product that could be custom molded for any market; editing and production choices could be guided by strategies that had little to do either with the music or the artist. Culshaw and Legge fell out with their respective companies in the 1960s, each complaining about a narrowness of vision, a lack of sensitivity to the nature of the musical art. Culshaw referred to the "lack of purpose or direction" at Decca; "rot was starting in the foundations." Legge objected to the "committee ridden" bureaucracy of EMI. At Columbia Masterworks the creative era was also coming to an end.

The musical goals were in fact becoming subordinate to technological ambitions. During the late '60s and the '70s overly miked orchestral recordings were regularly produced in which the engineer tinkered with balance and frequency response, thus taking over what should have been a conductor's role. Splicing was also used to create the technically perfect—if musically mediocre—performance that alone could hold its own in an increasingly crowded marketplace. If the recordings of the "stars" had to be note perfect, how much more so would the recordings of the second- and third-rate players? Recordings became concrete manifestations of the new competition culture, in which instrumentalists were trained to play for juries. The goal of a live performance was to sound as much like a spliced recording as possible.

There were, of course, instances in which the technology was used to create products that were essays in a new form.

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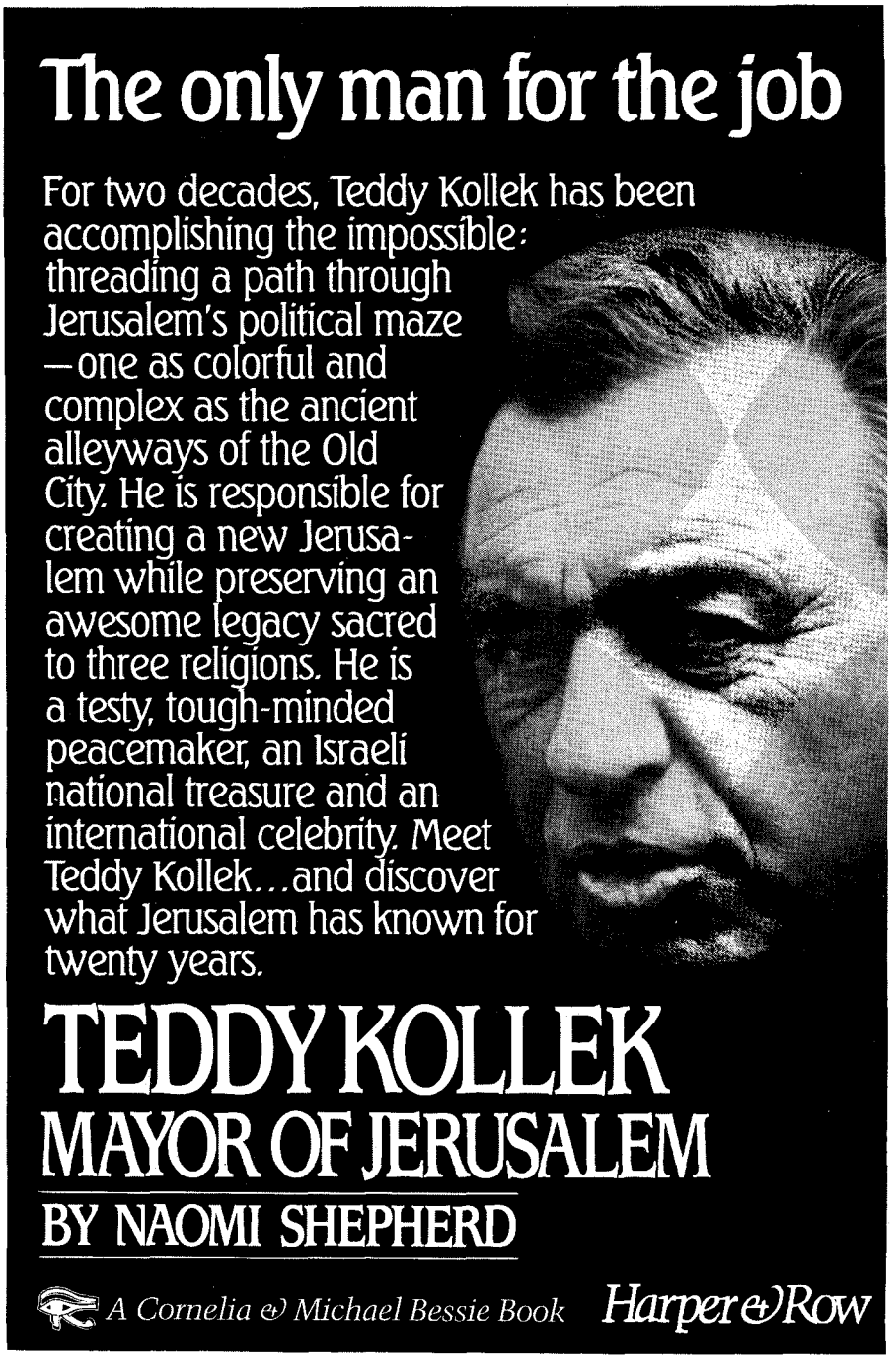
Glenn Gould spliced together his recordings with obsessive care. But as some recently released live CDs of Gould's playing from the '50s help demonstrate, Gould did not splice his takes to eliminate errors or construct something he was unable to play. The recordings were fulfillments of his musical vision, true archetypes distilled and condensed from ideas first developed in his live playing.

Gould was the exception, in this as in everything else. More commonly, the newly constructed recordings became apt metaphors for the potpourri of products in the recording company's classical line—here a bit of crossover pop and jazz, there a bit of warhorse virtuosity, here an exotic name, there a sonic showpiece, merged without much thought for the list as a whole. The result in the '70s and early '80s was recordings that were among the worst sounding ever made and the least important musically. (How many classic recordings from that period are there?) The record became neither a "record" nor an archetype. It became a mere commodity, its contours adjusted according to the market.

THIS APPROACH seemed self-defeating, as LP sales began to fall off dramatically after 1978. But what rescued the classical industry was not an infusion of vision and creativity. Instead it was rescued by a new technology that promised better sound, but also made it easier to manipulate the performance. Digital recordings became a premium novelty (despite the horrendous sonics of the early releases), and compact discs finally fulfilled the marketing dream—despite rarely noticed musical defects (see "The Quest for Perfect Sound," TNR, December 30, 1985). This seemingly incidental conversion from analog to digital technology is likely to have unexpected ramifications on the nature of recordings, not just on their sound.

First of all, it has turned the product into a novelty. While the great musical advantage of CDs has been the rerelease of hundreds of important historical recordings long lost in the vaults, the marketing emphasis has been on "updating" sound, fetishizing it. The newer recordings, treated digitally from start to finish, have a marketing edge. The older ones, however magnificent, must be made to sound "current" to be rereleased (though many may even sound better in their original form). Many recordings end up receiving attention they never would have received if LPs had maintained their dominance, and if Legge's archetypes were still taken seriously. The few LP shelves remaining at Tower Records' New York stores are relegated to back corners, while new bins are stacked with CD "jewel boxes." Though more and more is being released on CD, the catalog still doesn't compare with the LP list.

Meanwhile, it has become increasingly difficult to get any distinct idea about what musical program the larger companies are following. When Culshaw first began to have an influence on recordings in the '50s, he said that "Decca's program was not really a program at all. It consisted in the main of random leaps into all parts of the repertoire, and it lacked any kind of consistent artistic or indeed commercial policy." Do we see any consistent artistic policy in any of the "majors" today? It has reached the point where one no longer looks to them for the most interesting releases. RCA, which once offered Rubinstein, Heifetz, Kreisler, Munch, Toscanini, and Caruso, now fiddles with Michala Petri and Barry Douglas and André Previn. CBS, which claimed Gould, Serkin, Bernstein, and Stravinsky, now depends on Philip Glass, Zubin Mehta, and Michael Tilson Thomas. Angel—once linked with Klemperer,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Schwarzkopf, Fischer-Dieskau, Beecham, Milstein, Schnabel—now has André Watts and Leonard Slatkin and Bernard Haitink.

Apart from the comparatively lesser stature of many of these newer releases, how important are even the major ones? How often will we want to hear Karajan's latest preciously canned version of the Beethoven symphonies on Deutsche Grammophon? Do we really need Vladimir Ashkenazy's ordinary, workmanlike Chopin on London? For that matter, does anyone foresee a need for the Guarneri Quartet's future releases on Philips or DG's future presentation of the Metropolitan Opera's *Ring*? Of course, in the midst of the newer releases there are unusual performances: Klaus Tennstedt's Mahler or Roger Norrington's Beethoven on Angel, Gidon Kremer and Giuseppe Sinopoli and Maurizio Pollini on DG, Murray Perahia and Yo-Yo Ma on CBS. But the most refined recordings today released by the majors are not part of a coherent program. They are just the most stirring and responsible parts of a generally fragmented catalog that survives and expands due to marketing momentum and technological innovation.

TO A certain extent, this is just a reflection of wider problems in the music world. In the '50s, when the great producers flourished, there was plenty of recorded dross, but there was also the vital postwar music scene—with its personalities set free from exiled or embattled pasts—to be tapped. There were vast quantities of repertoire to be recorded for the first time—on LP and then in stereo. The classical companies were smaller, more mobile, their leaders musically trained and driven. It was also the last decade in which the 19th-century concert tradition could still be thought of as flourishing. By the '70s the repetition of repertory on the concert stage, and the schism between audiences and new music, had worn down even the classical tradition. And why shouldn't our recordings mirror in some way our concert life—especially since they are both driven by similar dreams?

It is perhaps no accident, then, that the most interesting recordings being made today are coming from smaller companies. One such company, Chesky Records, has actually taken as its project the scrupulous rerelease of great recordings made by the majors in the '50s and early '60s (such as the RCA recordings of Reiner). Most smaller companies at the very least have clearer notions of what they are about than the majors, and find their motivations not in the concert hall, but in the various musical traditions that have little to do with it—the early music of the Renaissance, or the late medieval and early modern traditions of religious polyphony, or the Baroque court, or the chamber music of the bourgeoisie, or the postmodern musings of the avant-garde. They are thus not driven by the same ideology of recording that propels the majors. Consider for example, the achievements of two very different companies: Nonesuch and Harmonia Mundi U.S.A.

NONESUCH is part of a division of Warner Communications, which also releases the pop labels Elektra and Asylum. But it has had a tradition of independence, beginning with the achievements of Teresa Sterne, who turned it into a high-quality budget label during the 1960s and '70s, offering Baroque and contemporary repertory that the majors were passing by. Its Explorer series features ethnomusicological treasures from around the world. Under the direction of Keith Holzman in the early '80s, the company signed other interesting performers, such as Richard Goode and Ivan Moravec. Now Robert Hurwitz has given the label a twist at once eminently marketable and intriguing: it has begun to pay homage to the contemporary avant-garde as it continues to pursue other paths through the classical tradition. I don't care for most of these postmodern releases—the Kronos Quartet performances, John Adams's music, or the playing of John Zorn—but they are presented with conviction rather than calculation.

Moreover, these releases fit into Nonesuch's larger enterprise, which treats recordings with a fair degree of modesty. Releases become part of an on-going exploration; they are not magisterial tablets from a pantheon of masterworks. Nonesuch recordings generally seem expressions of taste, to be argued with at times, but worth attending to. Nonesuch can afford this because its releases, like those in its Explorer series, offer the music of particular cultures well played and decently recorded. Recent recordings include music by such underplayed contemporary composers as Joseph Schwantner and Steven Albert, along with significant works by Elliott Carter and George Perle, the singing of Teresa Stratas and the pianism of Goode and Mieczyslaw Horszowski, and fine early music, including Elizabethan lute music played by Paul O'Dette. The result is a catalog that is like the list of a first-rate publisher—full of highs and lows, but embodying a particular vision that one samples with hope and interest.

HARMONIA MUNDI U.S.A. is a more complicated case. Aside from producing its own recordings under the guidance of René Goiffon and Robina G. Young, the company imports with great acumen the most subtle and intriguing examples of European recordings, from companies including the French Harmonia Mundi, Accent, Musique D'Abord, Caprice, Chandos, Meridian, Hyperion, Marco Polo, Gimell, and Orfeo. These are small companies that have distinguished themselves over the years for extraordinary devotion to neglected repertory and sophisticated treatment of sound. (Listen, for example, to nearly any Harmonia Mundi release engineered by Jean-François Pontefract.) In a given month the company's release schedule might present the works of Lully along with an opera of Monteverdi and the music of William Byrd. The performers have become the center of devoted attention—such as the countertenor René Jacobs (who conducts a new recording of Gluck's "Echo et Narcisse") and the conductor Philippe Herreweghe (whose Bach's "St. John Passion" has just been released). But the recordings also reach well beyond the authenticity movement. Liszt transcriptions of Beethoven symphonies have been finding their way to record in often striking piano performances. There are symphonies of Glazunov and Vaughan Williams and works by Peter Maxwell Davies. The American division has also had the great good sense to record the pianism of Robert Taub and the early music performances of the Philharmonia Baroque Orchestra. Harmonia Mundi's catalog is a distillation of the best of what is possible in small label recording.

In fact, the cases of Harmonia Mundi and Nonesuch offer proof that musically sophisticated and important things can still be accomplished in the world of recording, that the industry need not be guided by technological novelty or the star system or attempts to custom cut music for a market. These compa-

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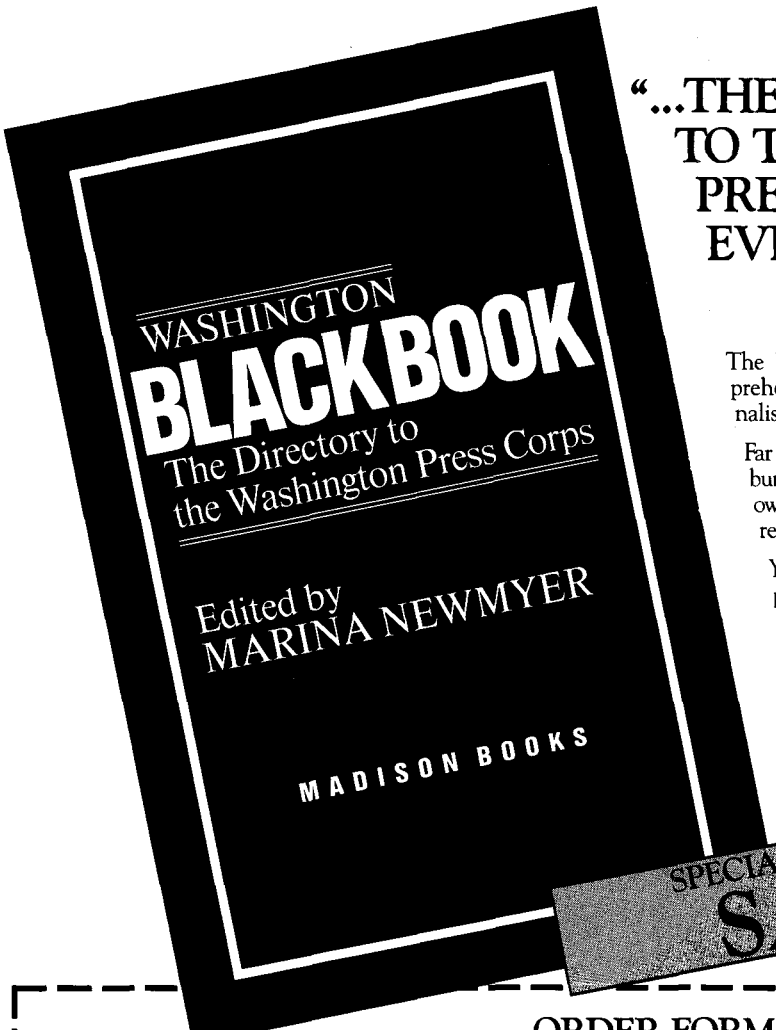

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nies and others are generally driven by scholarship and exploration. To a certain extent they treat the record not as a model for future performances, but as a presentation of musical worlds we might never otherwise experience or understand. In this the small labels are returning to an older recording aesthetic when all of music was fleeting and new. At best they create a record that itself becomes a musical tool, perhaps even an instrument.

THE CLASS GAP

Why Americans Don't Vote
by Frances Fox Piven and Richard A. Cloward

(Pantheon, 325 pp., $19.95)

It is by now common knowledge that participation in American elections has been steadily declining for the past quarter century, with only limited and temporary reversals. By 1986 the national turnout had fallen to 37.6 percent of the adult citizen electorate. Outside the South (where anomalous voting trends skew the national picture), 39 percent of potential voters actually came to the polls. This figure represents the lowest non-Southern participation rate since 1798—that is, since a time when democracy had not fully arrived in America. Moreover, by 1986 off-year participation had declined by 30 percent from 1962 levels. The presidential participation rate, of course, is substantially higher: 57.8 percent of the non-Southern electorate in 1984. But that marks a drop of more than one-fifth from the postwar high of 72.8 percent in the 1960 election, and it means that 75 million Americans failed to come to the polls in 1984. In 1986 more than 107 million failed to cast ballots.

There has long been a notable turnout problem in this country, but it has only belatedly been rediscovered. Back in the 1920s, Charles Merriam undertook a pioneering study on non-voting—impelled, no doubt, by the high levels of abstention during this earlier period of Republican and big-business control of the American political system. But then professional interest in the problem waned. Where it was sustained (in the works of V. O. Key Jr. and other notable students of politics in the 1940s and '50s), abstention was generally considered a problem specific to the Southern states, where a dense network of disfranchisements, legal and extralegal, was imposed after 1890 to exclude blacks. Few considered that the South, rather than being a unique case, might in fact be an extreme example of a broader national pattern of legal changes and obstacles that excluded certain categories of citizens from the polls.

Postwar political scientists also tended to dismiss low American turnouts on several grounds. Some, writing in light of the Nazi takeover of Germany and the acute class polarizations in Western Europe during the early cold war period, pointed to America's low turnout as a symptom of a "politics of happiness": the country was blessed with a consensus on fundamentals. Others, working in the survey research tradition dominant since the '60s, tended to dismiss turnout issues as operationally insignificant: there were no traceable differences in the political attitudes and candidate choices of those who voted and those who didn't. Low turnout might represent a cosmetic or image problem of some kind, but there was absolutely no sign of "huddled masses" longing to enter the system as soon as its entrepreneurs offered candidates and issues that spoke to their interests.

There has been a dramatic increase in attention to the turnout problem since the 1970s, and a growing recognition of the immensity of the social bias that now exists in American elections. Like earlier efforts, this outpouring of analysis is the result of a significant crisis of representation, and thus of legitimacy, in the United States. It is no longer possible to assume a quiet consensus, a happy apathy; a recent study of the Reagan elections reveals significant differences between the preferences of voters and non-voters. Over the past 20 years, as interest and research have increased, we have learned a great deal about the problem, though basic disagreements remain.

The American predicament can be broadly characterized as follows. First, in contrast to genuinely mobilized Western European democracies (or Canada, for that matter), American turnout levels since the beginning of the century have shown persistent long-term decline, only partially—and temporarily—reversed (as always, outside of the South) during the quarter century following the New Deal realignment of the 1930s. Second, this means that turnout and abstention in the United States, unlike in other countries, are intimately linked to the structure of partisan politics in any given era; voting levels reflect the level of party organization of American electoral politics as a whole.

Third, again unlike other countries, participation levels in the United States differ greatly along class lines. Upper-status citizens—measured by education, income, or occupation—mobilize themselves. They do not need partisan organizations or other encouragements to participate in politics. Their voting rates are high, in the upper 70s and even the mid-80s—equal to general turnout levels in Scandinavia, West Germany, or France. By contrast, the lower down the American class structure one goes, the lower the participation rates become. Today, barely two-fifths of voters among the bottom segments of the working class and among the unemployed vote even in presidential elections. The class gap during the 1980s has been 40 percent or more. It follows (as analysis of the Census surveys duly reveals) that the lower the general level of turnout, the larger the class gap grows.

Fourth, though surveys do not capture this point very well (and the Census Bureau's surveys, which don't ask about party choice, do not capture it at all), the class bias in turnout has very strong partisan implications. Analysis of returns from three metropolitan areas (Boston, Pittsburgh, and Los Angeles) demonstrates a very powerful relationship between social status, turnout, and partisan vote. When the first two are at a maximum, Republican support reaches overwhelming levels—between 5- and 10-to-1 over Democrats. Lower-class voters and low turnout produce, as a rule, substantial Democratic majorities within that electorate as a whole; but the huge plurality is abstainers, "the party of non-voters." This was as true of the 1920s as of the '80s. By contrast, in the interval (say, 1940 or 1960), when

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non-voting dropped to less than 30 percent among the same group, the Democratic bulge was correspondingly greater than before or since.

Clearly, the lion's share of our growing turnout problem is linked to a long-term collapse in the Democratic Party's willingness or capacity to mobilize its "natural" constituency. The reasons for this collapse are too complex to discuss here. It is enough to say that the partial replacement of parties by candidates and "permanent campaigns" as the chief organizers of the electorate has played a large role in demobilizing lower-status Americans in recent years. It is not far off the mark to conclude that there is greater class polarization these days between voters for either party and non-voters than between Democrats who vote and Republicans who vote. One could hardly describe the elections of 1940 or 1960 in such terms.

THIS BRINGS US to the fifth and final distinctive characteristic of America's turnout problem, and to Frances Fox Piven and Richard Cloward's *Why Americans Don't Vote*. The United States is unique in the Western world in that all states except North Dakota require personal registration of most or all of their voters. It is the citizen's duty to demonstrate his or her qualification for suffrage. Everywhere else in the Western world, it is the job of the state to assume the burden of enrolling and updating lists of eligible voters. (North Dakota and certain rural reaches in some other states have no personal registration; these are the last remnants of the 19th-century political system in this respect.)

By now we know a good deal about this requirement and its relationship to voting participation. Its effects are anything but trivial, as various analyses have repeatedly demonstrated. When imposed, the requirement drives down the total turnout rate by about ten percent. (In 1988 the differential amounts to almost 20 million people.) And we know that the overwhelming majority—somewhere between 85 and 90 percent, it seems—of people who are registered actually do go out and vote, at least in presidential election years.

Unprecedented attention was devoted to registration and its political implications during the run-up to the 1984 election. On the left, organizers undertook massive efforts to boost "poor people's registration." Those on the right responded with major registration drives aimed particularly at conservative and evangelical white voters, notably in the South. Piven and Cloward were actively involved on the left. They are veterans of the tenacious warfare waged, mostly out of sight, by incumbents and local officials of both parties to make it none too easy for the "wrong" kinds of people to get onto the registration lists. Their book is a battle report from that campaign. Its very considerable strengths, and its occasional shortcomings, lie in the authors' single-minded focus on registration and the political struggle over it in the field. *Why Americans Don't Vote* treats the origins of personal registration, explains who supports it today, why they support it, what it does to maintain a socially unrepresentative active electorate, and what should be done about it by anyone interested in fighting for a more democratic electoral system.

PIVEN AND CLOWARD begin with the historical background of turnout decline. They concentrate on the imposition of registration requirements on (then mostly urban) voters at the turn of the century and argue an important link between the new requirements and the corporate domination of both major parties that was the chief feature of the political system between 1896 and 1932. Interrupting their historical narrative, they turn to evaluate and criticize the major explanations (including mine) of non-voting, often to very good effect. Their narrative then continues to the present, as they examine the rise and fall of mobilization during and after the New Deal realignment, and the 1984 campaign for "poor people's registration." *Why Americans Don't Vote* closes with a review of the prospects for registration reform, and the creation of a "representative electorate" through legal change.

Piven and Cloward are surely right to stress that major-party elites and office-holders were key players in securing the adoption of personal registration in the first place. By the same token, as the authors learned from personal experience in 1984, people in control of local political machinery today often resist any efforts to open up access to the ballot box. Much of the authors' criticism of survey research explanations of non-voting—especially the assumption that the attitudes of voters and non-voters converge—is certainly well founded. And their report from the front is genuinely illuminating, offering a clear picture to

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reformers of what they are up against, and why.

The book's focus is powerfully concentrated, but it is also narrow. Piven and Cloward insist, often with an excessively polemical edge, that registration is the decisive factor in suppressing participation. They dismiss, much too categorically, analyses that introduce other factors to account for voting behavior. In particular, they reject the argument (made by William N. Chambers and Philip C. Davis) that high voter participation in the lower social and economic portions of the electorate a century and more ago could only have been made possible by much stronger political stimuli than now exist. Piven and Cloward reject the view on the grounds that it ignores the role of political institutions, emphasizing personal characteristics instead—even though it's precisely class-based organizations, indeed political parties, that Chambers and Davis consider the source of the stimuli. Piven and Cloward are so preoccupied with personal registration and related issues that they ignore essential parts of the story.

It is possible to tell the full story by considering some voting statistics that dramatically reveal the correlation between social class, participation, and larger political developments. A comparison of turnout and partisanship figures for "pure" working-class and middle-class samples in a high industrial area, Allegheny County, Pennsylvania, for the census years 1920, 1940, 1960, and 1980, reveals striking contrasts in voting behavior. In 1920 and 1980, working-class turnout was extremely low—non-voting levels of 74.5 percent and 58.9 percent respectively; the Democrats received correspondingly few votes. The middle-class turnout looks entirely different: much lower levels of non-voting, especially in 1920 and 1980, were the rule, with Republicans receiving a heavy preponderance of votes.

This corresponds to well-known historical realities. Between 1896 and 1930, sectional one-partyism often dominated in the industrial Northeast as it did in the Solid South, and the Democrats were not a "usable opposition" in states like Pennsylvania. The 1920 situation in the Pittsburgh area, following hard on the heels of labor's defeat in the 1919 steel strike, perfectly reflects the relation of political forces in the heart of the steel belt. In 1920 the area was one big company town. By 1940 the New Deal, and the rise of the CIO industrial unions, had revolutionized the situation and had introduced an extremely sharp class polarization in place of the vast demobilization of two decades before. Voting behavior directly reflects this transformation. Democratic shares of the "pure proletarian" electorate rose from six percent to 57 percent, Republican shares of the "pure bourgeois" electorate rose from 52 to 88 percent.

SIMILARLY, political developments clarify the swing back to 1920s voting patterns that the data reveals after 1960. Non-participation rose by 25 percent at the bottom, with most of the abstainers drawn from formerly active Democratic voters, while at the top, non-voting rose by only four percent. The causes for this shift lie in the whole post-Kennedy evolution of the Democratic Party, including the fact that Jimmy Carter was the most conservative Democratic president since Grover Cleveland. They cannot be traced to registration, for no tightening of registration requirements occurred during this period. The shift is a response to political change—the extreme trauma of the Great Depression and the reorganization of the electorate by parties, labor unions, and their leaders that followed. The largely non-class politics of the 1920s was decisively replaced by the politics of class. As class-based appeals waned after 1960, so did lower-class (but not upper-class) turnout. There's little dispute that—all other political factors being equal, of course—the elimination of personal registration would increase participation by about ten percent. But as the Alleghany figures suggest, there are far more important dimensions to the non-voting problem.

At one level, as the Pittsburgh-area data imply, the problem is to explain why the registrant share of the potential electorate has dropped so much over the past generation—especially since registration laws have been significantly relaxed in many jurisdictions. Moreover, during the past generation there has been some increase in the proportion of registrants who don't vote in presidential elections. As one would expect, this increase—relatively small as it is—is particularly concentrated toward the bottom of the class structure.

So much is quite clear from the best of surveys, the Census Bureau's very broad-based effort. Aggregate analysis

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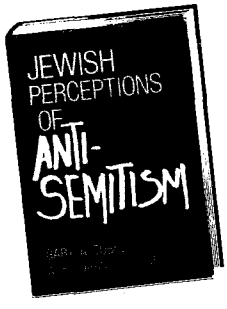

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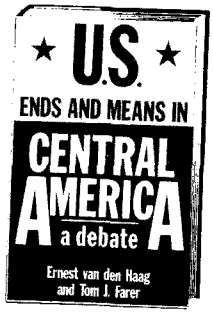

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suggests much the same. Consider North Dakota, the one state that has no personal registration at all—which means in essence that the entire adult citizenry are "crypto-registrants." Abstention in this state has risen in every presidential election from 1960 through 1984. Twenty percent of North Dakota's adult citizens failed to vote in 1960; by 1984 the abstention rate had climbed to 36 percent. In other words, by 1984 one-fifth of the 1960 voting pool—and hence the "registrants"—had dropped out.

CLEARLY, the problem transcends Piven and Cloward's emphasis on registration. But they seem to feel that any acknowledgment of other factors—poor candidates, negative campaigning—risks distracting attention from the battle over registration. Their agenda is spelled out in the concluding pages of their book. The objective is to create a more representative electorate by reducing or eliminating the registration barrier—to erase, as French 19th-century electoral reformers would have said, the gap between *le pays légal* and *le pays réel*. This, in their view, is a step that must precede, and open up the possibilities for, a democratic politics at long last based on class.

Obviously, any serious commitment to democratic theory would support such legal action on the merits. In fact, one could make a case for the unconstitutionality of personal registration on the grounds that it deprives identifiable categories of citizens of equal protection of the laws under the 14th Amendment. At the same time, many political analysts would argue that to start out attempting legal reform is a counsel of despair, or at least it is putting the cart before the horse. The key to the overall problem of de facto oligarchy in the United States must, in this view, be found in the emergence of organizers of the electorate committed to increasing participation of lower-status Americans in elections. A model for this—incomplete and variously limited as it was—lies in the New Deal realignment of the 1930s and its mobilizing effects.

The Democratic Party today seems unlikely to be roused to any such effort. The values and interests of that party's leadership have ever more explicitly been aimed at quite different and higher levels of the American class structure. Jesse Jackson's campaign is a reaction to this trend, but spectacular as his showing has been, it is premature to announce the triumphant transformation of the party.

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Judea and Samaria (the "West Bank")

Whom does it belong to? Is it "occupied territory"?

Many even otherwise well-informed people believe that the turmoil in the Middle East is due to the Israeli "occupation" of Judea and Samaria, also known as the "West Bank"—a territory less than half the size of Los Angeles County.

What are the facts?

■ Jews have been living in all parts of "Palestine" since Biblical times. After World War I, Britain was in control of Palestine. Earlier, in 1917, it had issued the Balfour Declaration. It called for the establishment in Palestine of a "national home for the Jewish people", with the understanding that the civil and religious rights of the existing non-Jewish community would be respected.

■ Until Jewish immigration into "Palestine" began in earnest early in this century, the country was sparsely populated and underdeveloped (Mark Twain describes the desolation well in his book *Innocents Abroad.*) Its civilization was that of the Middle Ages. When the Jews came into the country, they created commercial, agricultural, and industrial opportunities which acted as a magnet to the Arabs, most of them nomadic.

■ In 1920, the League of Nations made Britain the mandatory power in Palestine, effective in 1922. The Mandate, in line with the Balfour Declaration, provided for the establishment of a Jewish national home in all or any part of Palestine. The British, in violation of the Balfour Declaration and of the Mandate, divided the country in two parts. They granted the area east of the Jordan River to the Hashemite tribes, thus excluding it from Jewish settlement. They limited the Jewish National Home to the 23% remaining west of the Jordan River. That entire area is about half the size of San Bernardino County in California. Transjordan was given independence in 1946.

■ Israel declared its independence in April of 1948, on the same day as Britain relinquished its Mandate, and after the Arabs had rejected a United Nations partition plan which Israel had accepted.

■ In its War of Independence, against overwhelming odds, the newly-formed Israel Defense Forces in what must be considered almost a Biblical miracle, were able to defeat five combined Arab armies. Transjordan, however, succeeded in pushing westward across the Jordan River and in occupying Judea and Samaria. *They* were the occupiers, and they stayed in that occupation until they attacked Israel in 1967 and were defeated in the Six-Day War. During its 19 years of occupation, Transjordan, now renamed "Jordan", systematically removed all Jews from the territory. Jewish holy places were profaned and destroyed.

■ Israel has administered Judea and Samaria (the "West Bank") since 1967. Approximately 60,000 Israelis have settled there. The Arab population in the area enjoys local autonomy, civil liberties, free access to higher education, and the highest standard of living of any Arab population anywhere in the countries neighboring on Israel.

■ A homeland for Arab Palestinians? Of course, they deserve one. They have such a country. It's Jordan. Jordan (77% of the British Mandate) is Arab Palestine, just as Israel is Jewish Palestine. Never in history has there been an Arab state in Judea and Samaria, and there certainly was never any mention of it during the 19 years of Transjordanian occupation. King Hussein himself has said: "The truth is that Jordan is Palestine and Palestine is Jordan."

In the almost 20 years of its administration, Israel has refrained from re-annexing its old provinces of Judea and Samaria (the "West Bank"). In the Camp David Accords, Israel committed itself to autonomy for the Arab inhabitants of the area and to the determination of a permanent political status. Israel has invited representatives of Jordan and of the Arab inhabitants of Judea-Samaria to participate in autonomy talks. But, under pressure and threats of the PLO and of Arab rejectionists, they have so far refused to participate in any negotiations. Peace, and the ultimate resolution of the problem of the "West Bank" can only come about by negotiations. Israel has been ready for such negotiations for almost 20 years.

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And the Republican Party, the only approximation to a true political party that this country now has, is understandably quite uninterested in "maximum feasible participation." The party profits now, as it did in the 1920s, from the opposite.

How does a liberal democrat break through the jungle of laws, institutions, and motivations, and create a more democratic, more representative, political system? The answer to this question is anything but clear; indeed, it is far from clear that there is an answer. But surely people who wish to do something about getting out of the current political morass must start somewhere. Under the circumstances, one could as well begin with the personal registration system as with anything else. This book makes a valuable contribution to that end; one hopes that it will reach a wide public. The stimulus of events, perhaps of catastrophic events, as after 1929, must do the rest.

WALTER DEAN BURNHAM

Walter Dean Burnham is Ruth and Arthur Sloan Professor of Political Science at MIT and the author most recently of *The Current Crisis in American Politics* (Oxford University Press).

THE SCENE-MAKER

A Life
by Elia Kazan

(Knopf, 848 pp., $24.95)

In September 1938 the Group Theatre took its famous production of *Golden Boy* to Chicago. Elia Kazan repeated his success as the gangster Fuselli. He was a riveting character actor then, in a role that indulged his wicked face and lovelorn eyes. Real gangsters came around to touch and thank their kind of guy. They offered booze, girls, "help" with any trouble. He was shown Al Capone's empty apartment—Al was playing Alcatraz—and invited to live beneath it. Kazan was hugely captivated, and released: in one of many illuminations in this rampant, seductive, self-dramatizing book, Kazan says that in the shadow of Capone, he could "cut myself loose from the plague of guilt." No, he didn't shoot up the city; but he felt transported now as a sexual adventurer, plunging all his energy into coupling and duplicity.

There was always something in Kazan's disposition that fitted him for secret societies and dark, sidelong pacts. It's akin to that late glory in Lee Strasberg's gloomy life when he got to play Hyman Roth in *The Godfather II*, and the actor's disdain graced the mobster's fastidious sense of imperial duty. Kazan could still do a knockout guest shot on *Miami Vice* as a retired mobster. The two prophets of modern American acting had (and have) a touch of the killer.

This Kazan is a confessor-rascal, a limelit self-deceiver brandishing the open blade of candor in our faces. Thank God he's just on the page, as tortured and compelling as Whittaker Chambers. He doesn't seem possible or reliable as a real companion. He is not likable, yet he frets over a life torn between scorpion and nice guy. Esteemed for over 40 years as a director, he has never lost the paranoia of an actor who yearns to be noticed as a loitering, bristling outcast, dangerous and in love with danger. Those untamable characters played by Brando and James Dean were projections of Elia Kazan, or Kazanjioglou, from Constantinople and Kayseri. He was a Greek born in Turkey, already a cornered beast; and later he was known as Gadg, the Gadget, because he was the one in a coterie of artists and intellectuals who had the hands to fix common things when they broke. It was a patronizing name, goading his wish to be the leading man.

At the age of 78, from a decade of quiet following the wretched *Last Tycoon*, Kazan volunteers his *Life*. He is not so modest that he doesn't see it as a bequest, conceived in the spirit of Rousseau's *Confessions*. The gift is overwhelming; at 825 pages of story, it knows no decency of restraint. On page 782 he promises, "This is as far as I'm going," but requires the stopping space of a Ferrari on ice. I'd guess that editors gave up on his furious, beguiling idealizing of himself.

Make no mistake, he has the urgency and grabby stamina of a great gossip. This is an engrossing, shameless book, so compulsive, tasteless, and robust that it lurches along under its own weight. It strikes me as the most interesting and probably the most enduring achievement of Kazan's varied career. As autobiography, written with the zest of a proven popular novelist, it is as inadvertent an admission of the compromises in American show business as anything we have. It is also the self-portrait of an incorrigible sensationalist, a manipulative scene-maker and self-pitying bastard such as might turn his own stomach if he didn't heave and sigh with so many youthful ways of thinking well of himself. Without irony in its writing or its gaze, *A Life* prompts some pained mirth: How can all this frankness stay so unaware and feel so sly? The answer tells us a great deal about our respect for "sincere" and "raw" acting, a cult for which Kazan has been such a notable enforcer.

Death has taken away many of Kazan's enemies or would-be interrogators. Still, this is a book that has been awaited for 36 years. For it was in April 1952 that Kazan named eight names to the House Un-American Activities Committee. Over the years since, he has largely declined to discuss his reasons, or his thinking in the matter. But some eventual settlement was promised.

In early 1952 Kazan was 42 and without equal as a director working on stage and screen. The son of a rug dealer who landed in New York in 1913, he had made his own determined way, an ardent Anatolian outlaw, to Williams College and the Yale School of Drama—poor, ugly, small, and non-WASP, horny for the cool blond girls, and murderously inclined toward the social stiffs those girls preferred. He made it, on every count. By way of the Group Theatre, he developed as actor, godsend gadget, and director, thriving on the rivalry with Strasberg and Harold Clurman, marrying a lovely establishment blonde (Molly Thacher), electrifying audiences in supporting roles in *Waiting for Lefty* and *Golden Boy*. By the early 1940s he was directing on stage—*The Skin of Our Teeth, Harriet, One Touch of Venus, Jakobowsky and the Colonel*.

We might note the haphazard range of this material and Kazan's early charm

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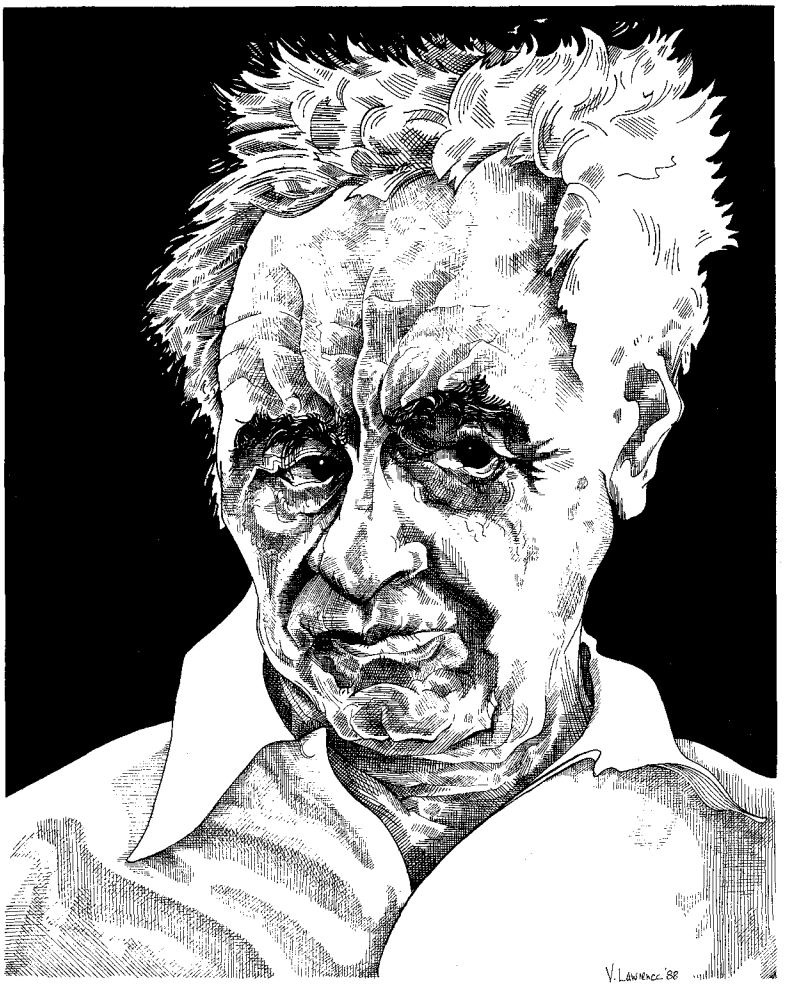
with great stars: Tallulah Bankhead, Helen Hayes, Mary Martin. (In *A Life* he tells how Bankhead went from raging prima donna to naked candidate for his bed, comeuppanced at finding a younger actress warm there already.) When he took up the Hollywood offers, in 1944, he embarked on a string of films as impersonal as, but less deft than, his early stage work—*A Tree Grows in Brooklyn, Sea of Grass, Boomerang!, Gentleman's Agreement, Pinky, Panic in the Streets.*

Those movies are as dull and as dependent on quickly forgotten melodrama as the novels Kazan began writing in 1967 with *The Arrangement*. They are the work of someone ready to do anything to get a shot in pictures. At MGM, on *Sea of Grass*, Kazan went along with every studio concession to bogusness, to overweight, lazy-minded stars, and to flatulent product: before shooting started, he knew he was about to make a hopeless, irrelevant picture. Yet a year later, when he was invited by Tennessee Williams and the producer Irene Mayer Selznick to direct the premiere of *A Streetcar Named Desire*, Kazan became the spearhead of a fresh poetic realism, of Method acting, of something wild and threatening thrown in the face of the audience.

Those who knew him then saw an uncanny, eroticizing inspiration with actors, a gadget's way of getting at the best fruit, as well as a careerist's indifference to material. Kazan was not shy about exulting in the Anatolian's hard-earned glory; the most groupish in the Group Theatre had always known that his wolfish ambition had to walk alone. In the 1930s he was a member of the Communist Party for less than two years. He resigned after a special meeting, in the Strasbergs' apartment, where he was berated and humiliated by a Party official from Detroit for independence of thought. He made notes in 1936—"Yes, the door was being held wide open for me to walk back into favor, except that to judge by the cow eyes of my pitying friends, I was expected to make that walk back on my knees. I wasn't listening anymore. I wanted to get the hell out"—and now comments on them: "I was a sinewy young man and I was beginning to think about how many of these guys I could beat up. That, of course, was irrelevant." If so, why is the aggressive instinct held on to so long afterward? Kazan is a clenched-fist writer. Elsewhere in *A Life*, he warns us that he neither forgets nor forgives; no one reading his book could doubt the virtue he still places in being "sinewy." No other man could hope to grasp or contain him; it is a matter of wrestler's principle with Kazan. With women, it is a different matter: they are all encouraged to try to lay hands on his slipperiness.



DRAWING BY VINT LAWRENCE FOR THE NEW REPUBLIC

And so, in 1952, after one HUAC session in which he had resisted it, Kazan named old friends. Why? It is one purpose of *A Life* to build an elaborate context in which Kazan sees (and saw) creative, critical instincts being stifled by the Party. He refers to Albert Maltz writing and then recanting a heretical article in *New Masses* in 1936. He mentions a later colleague, Budd Schulberg, refusing the Party's orders to turn *What Makes Sammy Run?* (1941) into a more "proletarian" novel.

But Kazan's justification hinges on two events much closer in time to his own informing. One is a meeting he and John Steinbeck had with the Mexican cameraman Gabriel Figueroa, about *Viva Zapata*, the script of which Steinbeck had written and which Kazan wanted to film with Mexican assistance in Zapata's old territory. Figueroa took the script away and came back with a silent companion to decline it. Kazan imagined the dead hand of the Party in this, and he laughed off Figueroa's joke—"How would you like Mexicans in Illinois filming the life of Lincoln, in Spanish, with a Mexican actor?" The eventual *Zapata*—muddled, picturesque, patronizing, half baked, with Brando as the Mexican leader, but filmed on the American side of the border—does nothing to suggest Kazan ever understood Figueroa's anxiety. His own "vision" was too precious to recognize Mexican concerns.

The other "warning" picked up by Kazan's greedy instincts was Arthur Miller's withdrawal from "The Hook." This was a waterfront script they were working on, in which Zanuck wanted the gangsters to be changed into Commies. Again, Kazan regarded Miller's shift of mind as dictated by Party pressure. You can't trust anyone, Kazan seems to protest, as he gets ready for his own act of betrayal.

He says now, as he did then, that he named names to dispel secrecy, which offended him as the stealthiest and most corrupting force of communism. Within days of his HUAC session, Kazan ran an ad in the *New York Times* that attempted explanation. It is not quoted in *A Life*, though Kazan now reveals that it was

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written by his loyal wife, Molly, who had urged him to do whatever felt best in his heart. Briefly, the ad claimed that America deserved all the facts now and said that Kazan had delayed in revealing what he knew because of misguided attachments to old friends and unpopular opinions:

> Secrecy serves the Communists. At the other pole, it serves those who are interested in silencing liberal voices. . . . We must never let the Communists get away with the pretense that they stand for the very things which they kill in their own countries.
>
> I am talking about free speech, a free press, the rights of property, the rights of labor, racial equality and, above all, individual rights. I value these things. I take them seriously. I value peace, too, when it is not bought at the price of fundamental decencies.
>
> The motion pictures I have made and the plays I have chosen to direct represent my convictions.
>
> I expect to continue to make the same kinds of pictures and to direct the same kinds of plays.

Having read *A Life*, I venture to think that Kazan was no more afraid of communism in 1952 than he was drawn to its principles in 1934. He has said that in the '30s he was red out of envy of Williams privilege. In the '50s, too, his actions are most explicable in terms of his own emotional needs. The "danger" in those he named had been overlooked many years by his silence. They were smaller people than Kazan, whose lives were made harder because of his testimony. Yet, in talk and in later works, he compared himself with reformed gangsters who gave evidence against the mob, or with decent soldiers who reported American massacres of the Vietnamese. Kazan could not see that his talking was a rather minor event, however much he felt like Lear on the heath. As the blacklisted writer-director Abraham Polonsky put it: "You see, he only did a bad thing. He did not destroy the universe. He treats it as if he were face-to-face with the ultimate judgment."

It was asserted, immediately, that Kazan's HUAC testimony permitted his new Hollywood contract. I don't believe that the linkage had to be so direct or so crass. Yet if he had declined to name people, Kazan could not have worked in Hollywood again for many years. He would not have directed *On the Waterfront*, *East of Eden*, *A Face in the Crowd*, *Wild River*, or *Splendor in the Grass*. And, contrary to Kazan's *New York Times* assurance, those pictures are not the same as he had been making. They are much better. A part of him soared on the danger, the notoriety, the attention.

WHAT OTHER daring could have come to Kazan as he informed? An answer may lie in the amazing underlife he confesses to in this book—though "confesses" is not quite the word. Now that two betrayed wives are dead, as well as those lovers he is prepared to name, he is pleased with the sexy scramblings in alleys, in the backs of cabs (a choice site for Kazan scenes), or on the floor of a theater dressing room. He insists to us, and to a third wife, that he is tranquil, ancient, and sleepy now. Yet he can hardly stop telling how inventively and recklessly he fucked around, and how adept he was at all the barefaced secrecy, the lies.

Kazan married Thacher in 1932. She died in 1963, suddenly, weeks after writing a famous poem on the death of JFK. Thereupon Kazan married Barbara Loden, the actress he directed in *Wild River* and *Splendor in the Grass* and, in 1964, in Miller's *After the Fall*. In that play, Loden had the role of Maggie, generally regarded as a version of Marilyn Monroe, once Mrs. Miller—and before that? Yes, the mistress of Gadg. The actress Constance Dowling is another named affair. There are many others granted anonymity by this odd gentleman, because they are still living. Kazan is aggressively frank about his itch to take women from other men, about his attraction to slender blondes (the Anatolian opposite), about the abundant, compelling furtiveness that was his way of life. Indeed, he had had a son by Loden while Molly still lived. Yet the first wife and her four children by Kazan apparently knew it not. One comes away believing that Kazan could not do a play or a film without some conquest in its company.

At the same time, he claims that he never left, or would never have left, Molly; nor does he see how much kinder it might have been to quit. One longs to know what the wives thought. Not that they are neglected in this book. On the contrary, they are deeply felt objects of his affection, and Kazan is especially moving about the country toughness and acquired skepticism of Loden, about her defiance in the face of cancer, and about the one movie she directed, *Wanda*, the quality of which he never surpassed. But there is something repugnant in the revelling in affairs, and much that is blind to the author's own need for subterfuge. Kazan has a device—horribly overdone—of nudging us, of asking at his worst moments, Wouldn't we do the same? Aren't we really like that? The instinct may be shared, but what is special to Kazan is the relentless proclamation of it, the lust for coming clean that leaves all our water dirtier.

HOW COULD this horniness help account for the HUAC testimony? I can think of two ways, one speculative and marginal, the other much closer to his inner being. I have no evidence for the first, but it is possible that the committee was in a position to blackmail Kazan—if the FBI had any taste for boring surveillance, they must have seen something. The other point is that Kazan is destined to outflank the claims of loyalty. He is concerned to say that directors and actresses are inevitably drawn together sexually. But he doesn't notice what that implies about the nar-

WALKING AFTER WINTER

Following bright bloodroot
over our thawing land,
we survey old fence posts
and how they finally stand.

One turns in the stream bed
pulling from spring's wake;
another leans into barbwire
denying a splitting break.

Beside our tortured apple tree
broken from its full yield
more fencing has collapsed
opening forest to field.

Although our trespassed lines
will never be repaired,
we walk calmly over each
raw acre we have shared.

The broken stakes and torn
tree fuse into a sign
as we continue up our hill,
refusing to decline

Till we overlook the valley
and the borders of our farm;
then we face each other
and know the winter's harm.

SUSAN KINSOLVING

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row range of the material in which he did vital work; and he does not pause to consider how chilly, repetitive, and exploitative such ties can be. He assumes that the affairs are the heady, natural consequences of doing one creative chore after another. But that minimizes the process of promiscuity and the inability to sustain attachments. It is part of the erotics of gossip and informing.

It is in this area that Kazan's *Life* is most telling. How well he sees the human failure or incompleteness of Strasberg, Clifford Odets, Orson Welles, Nicholas Ray, Miller, Brando, Dean, Clift, and so on—he has known the best and often nursed their most vulnerable work into being. But he does not detect, or feel stricken by, shortcomings in himself. His own responses delight and monopolize him, as if they were extra hooks or screws on his great Gadget. He is quite sure that he has set his eyes on the highest targets: ultimate human mystery and ambiguity. He wants to borrow Jean Renoir's sense of every person having his or her own reasons, but he does not understand how dismaying or amusing that was to Renoir. An old man now, Kazan still has the exuberance of inexperience.

IN HIS best work, Kazan has told versions of his own story. *On the Waterfront* is a blithe allegory on informing, and *East of Eden* is a throbbing endorsement of male self-pity masquerading as sensitivity. Just consider how Kazan rigs the Steinbeck story so that Cal is a dear, dark boy and brother Aaron a stooge. Kazan doesn't seem to have liked Dean, but he gives no hint of realizing that his own psycho-dramatic legend set Dean in motion as a phenomenon.

It is hard to admire this Kazan; not that he leaves much room for others. The first impact of his films is their single power, and it is seldom long-lasting or comfortable when examined closely. The man he has disclosed in this book, with such panache and paternal pride, is as disconcerting as the special pleading of *East of Eden*. Yet this is an extraordinary book, and it will last as long as the twisting souls of show people are irresistible to us. Kazan's enemies have rich bait to rise to, and he may find his last years active with dispute. Perhaps he wants that. I suspect boredom—the need to shake his own life up—had a lot to do with the 1952 spilling.

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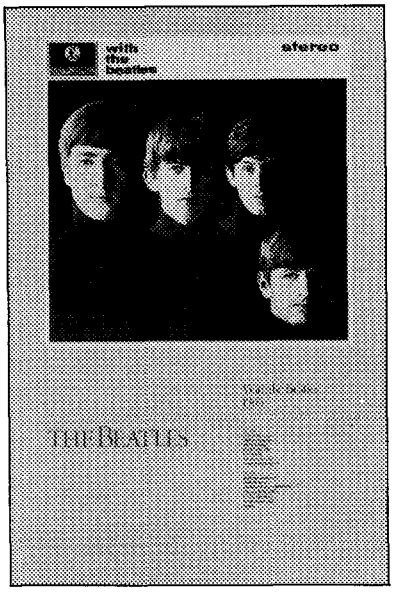

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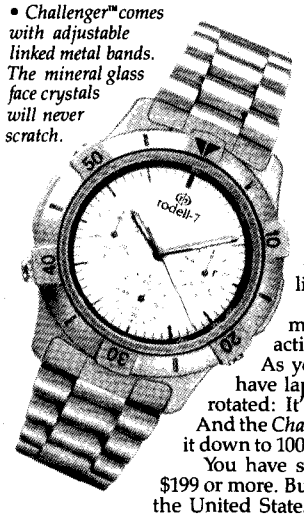

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In the end, the allure of Kazan's *Life* and the lesson in his work have to do with the way the manners and morality of acting, and of presenting drama, have invaded public life. This is one of those books that may show later generations when and how soul turned into performance, and why America began to prefer accomplished acting to awkwardness and difficulty.

DAVID THOMSON

David Thomson is the author of *Suspects* (Knopf) and *Warren Beatty and Desert Eyes* (Doubleday).

THE VICTIM OF THE CENTURY

Seven Thousand Days in Siberia by Karlo Stajner translated by Joel Agee introduction by Danilo Kiš

(Farrar, Straus and Giroux, 560 pp., $30)

Can one live through 20 years of inhuman captivity, and then a decade and a half of struggle to have one's story made public, and emerge unscarred? It seems so, writes Danilo Kiš, who met Karlo Stajner for the first time in Zagreb in 1976, 20 years after Stajner's release from prison in the Soviet Union. "A solidly built man of medium height, with a ruddy, brisk appearance . . . he seems without ill-temper or pathos. . . . 'But where are the scars?' I ask myself, looking into those sincere, gentle eyes. 'Where are the scars?' "

Karlo Stajner was born Karl Steiner in Austria. A printer's apprentice, he became a Communist at the time of the collapse of the Hapsburg monarchy and took part in the abortive Bolshevik putsch in Vienna on June 15, 1919, in which he was wounded. Two years later the Youth Section of the International sent him to Zagreb to run an illegal Communist print shop there. During the period that followed, he carried out a variety of missions, traveled widely, was imprisoned in Zagreb, Paris, and Vienna, worked for the Comintern in Berlin, and finally, in 1932, on orders of the Yugoslav Communist Party, journeyed to Soviet Russia. In Moscow, Steiner was placed in charge of one of the printing presses of the Communist International; three years later, he was admitted to the Soviet Communist Party and married a Russian woman. On November 4, 1936, he was arrested and taken to Lubyanka prison. For the next 7,000 days, he was to remain in the hands of the Soviet political police.

Accused of being a Gestapo agent and one of the innumerable murderers of S. M. Kirov, the famous Leningrad Party secretary who was murdered in 1934 (a crime for which Stalin himself was in all probability responsible), Steiner refused to confess. Fortunately for him, his wife was not arrested, which meant that he was spared the ultimate means of coercion: a family member's pleas to confess. He was already in prison when his wife gave birth to a daughter, who died very soon, never seen by her father.

In December 1936 a prison vehicle marked "Bread" transferred Steiner to Butyrki fortress in Moscow. Eight months later, another "Bread" truck took him to Lefortovo prison, which was crowded with Russian and foreign Communists. While there, he was at last indicted, and on September 6, 1937, after a trial that lasted 20 minutes, without benefit of public prosecutor or defense attorney, a military tribunal sentenced him to "ten years' isolation, under severe regime." Still, he could consider himself lucky, since soon thereafter most political defendants were given 25 years. Steiner was dispatched on a long and painful voyage to the Solovetsk Islands in the White Sea, once the site of a famous monastery and still a vast prison camp. He shared a cell there with 17 other Communists, some of whom insisted on their undying loyalty to Stalin; others, Steiner among them, argued that Stalin was a fascist and a counterrevolutionary. Steiner argues that in 1936, the year he was arrested, Stalin executed a successful anti-Communist coup d'état in Soviet Russia.

In August 1939, three years into his imprisonment, Steiner and others, including many foreign Communists, were crammed into the hold of a freighter. At Murmansk they were joined by 300 criminal convicts. Largely young peasants whose farms and families had been destroyed in the Stalinist collectivization drive, the criminals hated the Communist prisoners, whom they felt to be responsible, not entirely without justification, for the holocaust of the peasantry. The criminals robbed, tortured, and occasionally killed the politicals.

From late August 1939 to September 1948, Steiner was a prisoner at Dudinka and Norilsk, settlements at the mouth of the Yenisei River north of the Arctic Circle where, over the years, masses of prisoners toiled and died. Steiner worked on the railroad, subsisting on an allotment of one-and-a-half pounds of bread daily, hot water for breakfast, a little gruel, and occasionally a few ounces of salt fish or a few lumps of sugar. This ration was granted only to those whose work brigade had fulfilled the norm; underachievers were given less, beginning a vicious cycle that usually ended in death. In any case, heavy labor in the Arctic winter meant almost certain death; and not being able to work meant the same thing. Thanks to his good connections, Steiner managed to become a cook, but because he was unwilling to collaborate with the criminals, overseers, and guards in stealing the prisoners' food, he landed in the punishment cell again and again. Conversely, when he chose to cooperate with the criminals, he ended up in the punishment cell for theft.

On August 23, 1939, the Molotov-Ribbentrop Pact was signed, and soon thereafter German and Austrian Communist prisoners began to be rounded up and handed over to the Gestapo. Steiner escaped this fate only because the deportations stopped just before his turn had come. When war broke out with Germany in June 1941, Steiner was taken to NKVD headquarters and interrogated again. He spent more than a year in the camp prison, during which time most of his cellmates were executed. In September 1942 he was taken to a local camp "with severe regime"; he was now very sick and spent time repeatedly in the camp hospital.

In May 1943 he was interrogated and told, to his surprise, that back in 1942 he had been sentenced to death for counter-

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revolutionary fascist agitation as a prisoner. But, he was informed, the Supreme Court had overturned the verdict with the argument that because he had refused to sign anything, a new investigation was due. Steiner was sent to the so-called Ninth Camp Section, where his first concern was (as usual, following a transfer) finding a food bowl. There were many women in the Ninth Section, and the prisoners were treated to the daily spectacle of privileged criminals copulating with some of them. It was in this camp that Steiner learned that he had been sentenced to an additional ten years at hard labor. He now had 20 years on his head; not that it made much difference to him, since practically no one was released during the war.

IN THE SPRING of 1944, Steiner was taken from the Ninth Camp Section back to Dudinka, which offered a near-paradisiacal interlude in his calvary. Dudinka was a harbor receiving scores of American supply ships. Here Steiner gradually worked his way up into the shipping office, which made him one of the camp aristocracy: he could move around relatively freely and eat his fill of food stolen from the American shipments marked "from one of the United Nations." He even heard from his wife, who had a job in Moscow and had remained loyal to him. Their secret correspondence was reported to the NKVD, however, and as punishment he was again sent to Norilsk.

Steiner was now in the Sixth Camp Section, where he marveled at the miraculous transformation of Norilsk into a bustling industrial city. Again, with periodic setbacks, he worked his way up into an office job. It was while sitting at his desk that he learned, in the summer of 1948, of the Stalin-Tito break, an event he describes, perhaps with some justice, as the most momentous event in the history of the Communist movement since the October Revolution. For him the Yugoslav crisis meant a new round of interrogation by the NKVD. He was put under great pressure to testify against the Yugoslav comrades, and when he refused, he was sent away for good from the area where he had spent over nine years. Steiner's journey led through Krasnoyarsk to Irkutsk, and finally to a place between the two called Tayshet, where he was placed in a *spetzlager* for political prisoners.

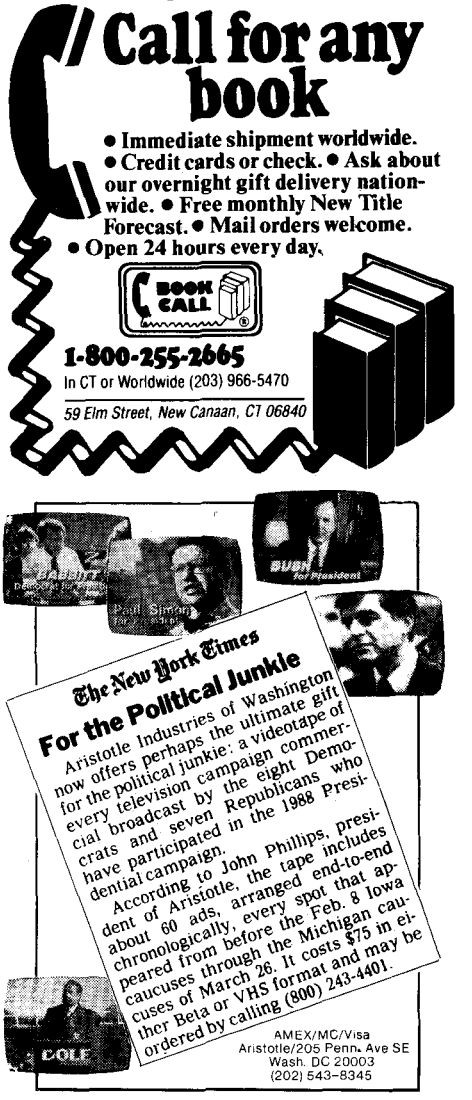
In the spring of 1952, Stalin apparently decided to finish the work Hitler had failed to complete. In Steiner's (and many others') view, the infamous "Doctor's Plot" was only the tip of the iceberg of a widespread anti-Jewish campaign. Pogroms took place all over Soviet Russia, and thousands of Jews were dumped into the camps, where they were brutalized by fascist prisoners. But on March 5, 1953, Stalin died; the pogroms ceased, and a new era began.

THE STROKE that finished off Stalin, Steiner argues, was a result of the tyrant's frustration over the botched Tito affair and the failure of his "Korean blitzkrieg à la Hitler." Now, suddenly, the prisoners found their voice, and some even dared to defy the guards. On September 22, 1953, 17 years after his arrest, Steiner was released, but true freedom came neither quickly nor easily. Because his sentences called for him to remain in Siberia in permanent exile, he was hauled from one prison to another and finally to the appointed place of exile, a settlement near the city of Yeniseisk. Once there, the political police sold him to a lumberyard where conditions were scarcely better than in the camp. But at least he was now free to move around inside the miserable settlement, to drink vodka with fellow exiles, to play cards, and to dance.

Gradual Soviet rapprochement with Yugoslavia and the new policy of "socialist legality" led to a reopening of his case. The local public prosecutor informed Steiner that his chief accuser, another political prisoner, had now retracted his confession. In March 1955 his wife arrived from Moscow, after a separation of 19 years. In December Steiner was officially rehabilitated and given permission to return to Moscow, but only in April 1956 was he at last able to board the Peking-Moscow Express as a free man. Once in Moscow, he was curtly informed by the local police that because he had lost his own apartment, and because his mother-in-law's apartment was too small for three people, he would have to leave the greater Moscow area within 24 hours. If not, he would be arrested again and sentenced to imprisonment. Fortunately, Steiner knew the telephone number of a leading Central Committee member, whom he does not name. Racing against the clock, he got through to the man and was told to reapply for a residence permit. Within a few minutes, the newly released prisoner was permitted to live in the capital.

The authorities entreated Steiner to remain in the U.S.S.R., but he wanted to return to Yugoslavia, which meant a new round of petitions and waiting. In June 1956 Khrushchev and Tito met on a special train in Russia, on which occasion the Yugoslav leader handed the Soviet Party secretary a list of 113 Yugoslav Party functionaries missing in the U.S.S.R. Two days later Khrushchev reported to Tito that "a hundred were no longer among the living." But the KGB began a search for the 13 Yugoslav nationals believed to still be alive. So it was that on July 30, 1956, Karl Steiner and his wife boarded a train in Moscow for Zagreb. "I couldn't help remembering the day," he concludes, "when I arrived in the land of my dreams, young and full of enthusiasm, 25 years before. Now I had the feeling of escaping as by miracle from a plague-infested land."

Neither Steiner nor Kiš tells us much of the author's life in Yugoslavia since 1956. We know only that he completed his memoirs in 1958; that he got Tito's permission to publish them, eventually,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The New York Times
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in 1971; and that when the book was finally released in 1972, it received Yugoslavia's most important literary award. The fact that Steiner is in Yugoslavia and that he is a Party member—one of the oldest surviving Communist Party members in that country today—only serve to enhance the authenticity of his record of horrors.

STEINER'S IS A remarkable story, not because of any intellectual or stylistic excellence, but precisely because of its utter simplicity. The author's tale falters only when he attempts his own analysis of Soviet political developments. Rendered in the form of dialogues with fellow prisoners—imaginary, of course, since he could hardly have recalled verbatim conversations held several decades earlier—these attempts are often disappointing. Steiner insists, for instance, that the tragedy of the Communist movement lies in Stalin's counterrevolutionary coup in 1936. Yet he himself admits that the rot had set in much earlier and that the Soviet Union was still "infested with the plague" in 1956, three years after the death of Stalin.

Nor is it easy to accept Steiner's bitter argument that the concentration camps, far from having been a total waste, were in reality highly profitable. At a time when the free industrial plants were producing at a loss, he claims, convict labor, costing next to nothing, actually helped prop up the woefully inefficient national economy. "Billions of rubles are spent every year in subsidies to industry and agriculture," Steiner says to a fellow inmate. "Where does this money come from? It's very simple: it's the clean profit from the camps." Such arguments have been made again and again; for many, though certainly not for Steiner, they justify the camps, the terror, and the decimation of the peasantry. Yet Steiner himself demonstrates that convict labor was terribly inefficient. How could starving doctors, technicians, professors, army officers, Party functionaries, demoralized "kulaks," and ordinary criminals, all brutalized by utterly corrupt and ruthless guards, produce more and better than the "free" Soviet labor force, no matter how ill-treated and ineptly led the latter was?

Steiner leaves a few questions largely unanswered, perhaps because they are largely unanswerable. Why, for instance, did the Soviet guards hate the prisoners with such a passion? One may explain the fury of SS guards lashing out at the Jews or the Poles whom Germans had been taught to hate for so many years. But what can explain a nearly illiterate soldier's or policeman's branding of his victim a "filthy Trotskyite swine"? Steiner may be right when he hints that the guards' enthusiastic torture of the political prisoners was motivated by a profound hatred of Communists.

And why did the Soviet judiciary and police insist on preserving at least a semblance of legality? At Steiner's many hearings, careful minutes were taken; he was confronted with the tortured fellow prisoners who acted as his accusers; a final protocol was drawn up, listing all the trumped-up charges against him, and he was asked to sign every single page of the protocol. When he refused to sign, he was given ten years anyway. Yet at his second trial, held in his absence, his repeated refusal to sign a forced confession saved his life. Rubashov, in Arthur Koestler's *Darkness at Noon*, was confronted with investigators who believed in what they were doing, and who were convinced of their victim's political significance. Steiner's inquisitors could barely hide their lack of interest in the whole affair, and in their unimportant prisoner. They went through the ritual of questioning, but when they met with unexpected resistance, they disgustedly dismissed him to his cell. During the next 20 years, the NKVD treated Steiner alternately as a political nonentity and as an important enemy.

KIŠ, the noted Yugoslav writer and dissident who now lives in Paris, met on several occasions with Steiner and his wife, who remained loyal to her husband to the end. "Any comparison, any association with the mythical Penelope would be offensive," he writes of Sonia in the introduction. "In fact, while the Greek Penelope spun at her loom for 20 years, quietly, under the clement skies of Greece, and, to universal admiration, sent away her numerous admirers, in the modern Soviet version of the myth Sonia was the wife of an enemy of the people, humiliated, mocked, tortured." Still, unlike thousands of women in the Soviet Union, Sonia did not choose divorce. She endured, but at a terrible cost to herself. Kiš found Steiner unscarred, but his sufferings and her own marked Sonia for life. "I look at Madame Stajner," writes Kiš,

> and lower my eyes. This look is unsustainable! . . . In those eyes riveted to that beautiful face (a face that had remained beautiful), I discover something I had never seen before: dead eyes: . . . Sonia Stajner's eyes are not voided of expression, they are dead as the eyes of the dead are dead: the glassy look, the petrified look. These are the eyes in which nothing remains but the ash from what had been living coals, a burning cinder, deep pits rather than whirlpools. . . . And between them, a deep furrow—the mark of the martyr.

The rebirth of Stalinist terror is nearly inconceivable in Russia today. Were Gorbachev to fall and the hard-liners to triumph, it still is difficult to imagine that any of them would be able to muster the indispensable popular support, or even that of the secret police, for a renewed imprisoning of millions, for show trials, for executions. So how are we to evaluate the Stalinist nightmare? Some believe that the Stalin era was merely a tragic episode in the evolution of communism, something akin to the Terror in the French Revolution. But in the same way one could present the Hitler era as a tragic episode in the long history of fascism. Steiner thinks that Stalin was a counterrevolutionary and a fascist. If he is right, then the Gorbachev experiment might mean a return to the original, genuine communism. But then how would Steiner explain the fact that the Stalinist terror was supported by millions of Communists in the Soviet Union (and abroad), whereas Gorbachev enjoys the sympathy mainly of those who have lost all faith in Marxism, even in its democratic socialist form? Stalin, the "anti-Communist," supported by millions of Marxist-Leninists, Gorbachev, the "true Communist," applauded by anti-Marxists: a confused picture indeed. Steiner seems very wrong in viewing Stalin as a tragic episode in the history of communism. What we are witnessing today, rather, at least in the Soviet Union and most of Eastern Europe, is the gradual dismantling of the totalitarian experiment.

Karl Steiner meant his book to serve as a warning against Stalinist tyranny. It is reassuring to reflect that his warning, published so late, would be nearly superfluous today in the very country where these horrors occurred. But when will Steiner's account appear in the Soviet Union?

ISTVAN DEAK

Istvan Deak is professor of history at Columbia University.

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CORRESPONDENCE, *from page 2*

ger be treated differently from any other refugees. They must be resettled; funds for their welfare will be cut off at a specified time in the near future. The Arab states must take them just as Israel and other countries accepted refugees. We know that the Arab states don't want the Palestinians, but we can no longer expend our time and money pampering those who wish to exploit them.

ROSE STENZLER
Far Rockaway, New York

To the editors:
TNR offers a plethora of solutions, all based on the premise summarized by Charles Krauthammer: "So long as Palestinian nationalism defines itself as contradictory to and mutually exclusive of Jewish nationalism, Israelis have no choice but to resist." This begs the fact that residents of Palestine are all Palestinians, whether they be Muslim, Jewish, or Christian. Peace can only be achieved when the racist premise of "Jewish nationalism" is abandoned, to allow Palestinians an equal share of governing power. If nationalism is necessary, it must be Palestinian nationalism.

KIRK S. NEVIN
White Hall, Maryland

To the editors:
It is clear that the plight of the Palestinians is tragic—which was the goal of Israel's neighbors in refusing to accept this people in any other status than as refugees. It is also clear that the use of force to restore order in the face of uprisings is one of the foremost tasks citizens ask their governments to perform, although almost never is force exercised at its just measure. No one, however, has come forth with a serious suggestion for solving the present problem other than the creation of an autonomous state. But this idea is opposed by the moderate Arab states, because of fear of Islamic fundamentalism and the creation of a radical neighbor state. Furthermore, the status quo serves the interest of the Arab states, despite their avowed support of the Palestinians, because the blame for the current situation is being squarely placed not only on Israel but on Jews throughout the world.

MARK L. COHEN
Paris, France

To the editors:
Charles Krauthammer's skepticism toward unilateral withdrawal may be exaggerated. A negotiated trade of land for security would be best, but just pulling out has some advantages: One, Israel could unilaterally draw the new boundaries, including within them the Jerusalem suburbs, Jordan Valley strongholds, and other key points. (This would also relieve the IDF of having to protect isolated pockets of settlers.) Two, Israel could justifiably claim, in return for its magnanimity, the right to block the introduction of heavy arms into the relinquished regions and the right of "hot pursuit" of terrorists. Three, the political vacuum created would probably draw in the army of the party most threatened by it, King Hussein, thereby de facto producing the Jordanian option.

CLAUDE S. FISCHER
Berkeley, California

To the editors:
Israel has no right to exist because the land on which it was placed was taken, by force, from the Palestinians. The rationale for doing this was the collective guilty conscience of the Allies after World War II for not having acted to help Jews of Europe before the war. After the war, the salve for their bad conscience was the land of Palestine.

HAROLD A. BLAKE
Readfield, Maine

To the editors:
Was there a contest involved in attempting to be the writer to use the word "irredentist" most frequently in the stories on Israel?

CHUCK RUCH
Kankakee, Illinois

TRB, *from page 4*

er during Reagan's seven years than during the previous seven (17.6 percent real GNP growth, compared with 16.8 percent), fewer new jobs have been created, and unemployment remains higher than it was for most of that time. The savings rate, everyone knows, is abysmal. In short, we've paid the price in inequality but we haven't gotten the payoff in prosperity.

Furthermore, these figures about the burden of the income tax overlook the continuing increase in the Social Security (FICA) tax, which brings in almost as much revenue. FICA is a flat tax on wage income that exempts interest, dividends, capital gains, and salaries over about $45,000. It is, in short, extremely regressive.

Adding FICA and corporate taxes to the mix, the CBO calculates that the tax contribution of the poorer half of the population has dropped by only six percent—two-thirds of what their share of income has dropped. Meanwhile the share of taxes paid by the top one percent has risen 13 percent, compared with a 46 percent rise in their share of income. The "bottom line," as everybody in Washington loves to say, is that affluent people, far from shouldering an ever-greater share of the tax burden, aren't even keeping up with their rising share of the nation's income.

A final twist. Much of this increased income in the top brackets reflects a large growth in capital gains. Supply-siders argue that the decision to sell a capital asset and pay tax on the profit is essentially voluntary, and probably has been induced by lower tax rates on capital gains. They are lobbying, with the support of their former nemesis George Bush, to reintroduce the special break for capital gains—a maximum of 15 percent, compared with 33 percent for other income.

The studies differ, naturally, about whether a lower capital gains tax would actually increase tax revenues. A Harvard professor says yes, the CBO says almost surely not. The last decade's rise in capital gains could have been caused by the bull stock market or by inflation. Even if it was caused by lower capital gains taxes, that doesn't prove that *total* tax revenues have gone up as a result. After all, a big tax break for people named Bush might increase revenue from people named Bush, as thousands rushed to change their names to Bush. But total tax revenues would decline. Similarly, people can arrange their affairs to get capital gains, if capital gains get favorable treatment. Capital gains go up, other tax revenues go down even more.

A true free marketeer ought to oppose government efforts to interfere with the market's incentives this way. In Britain the Thatcher government has just proposed a tax reform modeled after the American one: lower rates on regular income, no more special breaks for capital gains. As the *Economist* explained the wisdom of this approach, in terms that ought to appeal to any honest capitalist: "It is no longer easier to grow rich by speculating in machine-tool shares than by managing a machine-tool company." □

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WASHINGTON DIARIST

Bright Lights, Big Pig

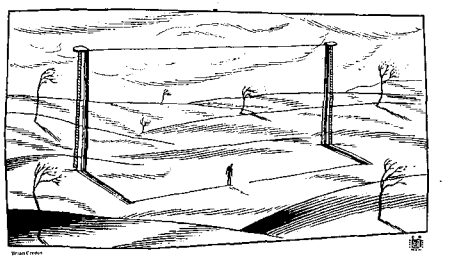
I DON'T DO what Jay McInerney gently called Bolivian Marching Powder, but there are times these days when I wish I did. Maybe I just keep bumping into people whose idea of living on the edge is a two-income subscription to *Spy* magazine and whose deepest experience of alienation is what just happened to their ficus plant, but my generation's hankering for a safer version of the 1950s is getting to me. Way back in my late teens, I told myself that after a few more years with a Michael J. Fox haircut and a soft spot for Lionel Ritchie, I'd freak out at 24. Now I get here, everyone wants to stay home. I was at a D.C. party the other night—the kind where couples dive furtively into the bathroom for a quick hit of *Foreign Affairs*—and at 9:45 someone suggested we go bowling. *Bowling?* It got worse. A friend refused: he had to do "the quality-time thing with the girlfriend." This in the week that Disney Corp. made the cover of *Time*, Michael Dukakis looked unstoppable, and the *New York Times* announced on its front page that "gardening is chic." Anyone for crack?

BUT THE REAL KILLER is the return of family values. After two decades of Vatican II, contraception, and the *Village Voice*, everyone I know is either having a baby, getting married, or in "a long-term relationship." Not so long ago, it was only born-again Carterites who really gave a damn. ("Mind if I leave work by four today? I'm giving the family values a ride home from school.") These days no candidate can do without them. From Mario Cuomo (guess who gets to be daddy?) to the gruesome spectacle of our first divorced president starting something called Family Bread-Baking Day, it's hip to be homey. Now even Teddy Kennedy is in on it. He's heading a lobby modestly called American Family Celebration. It supports more education, more housing, affirmative action, health care, and women's rights, and is sponsored, among others, by the United Church of Christ and the Teamsters.

MY FAVORITE monogamy-monger is a plucky organization called The Family in America, in which happily married, well-adjusted adults spend their time mercilessly harassing single people. They send out leaflets once a month, each primed with that friendly New Right flair for understatement. "AMERICA'S DRIFT TOWARD POLYGAMY," warns a recent issue. "DAY-CARE: THALIDOMIDE OF THE 1990S," chirps another. Maybe it's the weird mix of grim cheeriness and hysteria that does it, but being pro-family has always struck me as an essentially absurd position, rather like being in favor of one's mother. Mothers are not things one can be in favor of. They are, as Heidegger nearly put it, the given. Sure, they vary in strength (mine, for example, lives 3,000 miles away). But they never quite go away. Conservatives know this. Neoconservatives are terrified it could be true—it might rob them of an issue. Hence the strangest product of the family fixation: the apotheosis of the 1950s nuclear family. This freak of postwar demographics, whose main achievement was provoking the sexual revolt of the '60s, now has the status of divine revelation. It's almost time for Richard Nixon to approve of it. Never mind that the American family has historically been much more like the '80s version—more open, more geared to work, more tolerant of those outside its reach. The end has to be nigh. An institution that beat bubonic plague, slavery, two world wars, and being embraced by Ted Kennedy has yet to face the terrors of counterculture President Dukakis and his charming wife, Kitty. Not forgetting, of course, Andrea, John, and Kara. I don't think they have a dog.

ON THE OTHER HAND, maybe the end came years ago, and I missed it. *Sassy*, a new glossy for teenage girls—a sort of *Esquire* for kids—kicked off its first issue last month by explaining how to rehearse contraceptive skills by peeling condoms onto the ends of broomsticks. This month's "Help" page deals with milder issues. A reader writes in about her sex life with dad: "I know it's wrong, but I really love him." This time *Sassy* takes a firm line. "It would be a good idea for both of you—either together or separately—to talk to a psychologist about your sexual feelings toward each other." And if things don't work out, you can just be friends and have dinner occasionally.

HERE'S MY FIRST MILLION: a board game for New Yorkers. The idea's simple. You have a stack of illustrations from the op-ed page of the *New York Times*. All you have to do is identify which article they go with. Now, you may think there are limits to the meaning of well-dressed butlers wandering aimlessly in lunar landscapes while dollar-shaped projectiles sail ominously overhead, but maybe you haven't quite pondered the thrilling implications of "Beyond The Question Of INF Verifiability." My favorite recent op-ed sketch is a childlike scrawl of someone's head impaled on an abacus. The mind boggles. Counting the cost of gang wars? Adding up the price of mental health insurance? The normal reaction to A. M. Rosenthal's column? In fact, it's about Asian Americans at college. Still, part of the charm is that the drawings look as if they've been dashed off in 30 seconds by a depressed four-year-old as a mild form of psychotherapy. But you can't beat March 18:



Your choice is between "Looking to the South," "A Major Victory for Cable Viewers," "Mario on Mario," and "Once Again, an AIDS Furor." No cheating.

CONGRATULATIONS to two new pop groups for finally coming out and saying it. No more U2 idealism. No more pretensions to sincerity. No more music. Riding on the crest of mass-produced pulp comes Big Pig, a new band from Melbourne, with an album that needs no PG label. It's called "Bonk" (that's Australian for a very short-term relationship). And thanks, too, to socially conscious Blue Mercedes. After a lustful Lockean phase (their last single was "I Want To Be Your Property") they've now gone one better. Their latest is called simply: "See Want Must Get." Not a family value in sight.

ANDREW SULLIVAN

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Some of the best hospitals in the country know better than to buy the latest technology.

It's hard enough for hospitals to keep up with the rising cost of gauze pads, salaries and insurance. It just doesn't make sense for them to buy extremely expensive, life-saving equipment that they may only use a few times a month. But at the same time they can't afford to have their patients travel to other hospitals for the treatments they need. Fortunately, there's a company called Mediq that does the traveling instead.

Through its Mobile Diagnostic Units, Mediq actually brings MRI and CT scanners, ultrasound, Breast Imaging Services and other technical equipment right into the hospital parking lot. And the hospital then adds a wing for a day, a week or even a month.

But six years ago, no one ever heard of a mobile wing, let alone a portable CT Scanner. Mediq was just a small, health care firm with 450 employees and a great idea. Too great to abandon for lack of funds. So Mediq turned to Drexel Burnham for help. Drexel responded with $120 million in high yield bond financing to help create Mediq's Mobile Diagnostic Services, a division that now has a fleet of 150 units, averaging 6000 scans a month. While Mediq now has a payroll of 3800 people. And, thanks to high yield bonds, 250 hospitals in 35 states can now share the cost of state of the art equipment.

Which means hospitals no longer need more money to offer quality care. Just an extra parking space.

Drexel Burnham
Helping People Manage Change

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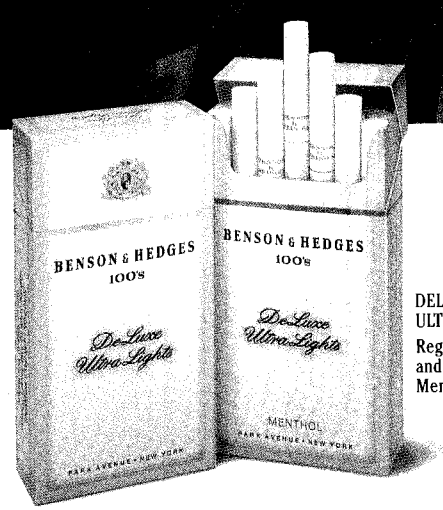

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